

Meeting	Finance and General Purposes Committee
Date and time	Thursday 7 March 2019 at 9.00 a.m.
Location	Boardroom, 1 Inverness Campus

Board Secretary
28 February 2019

AGENDA

Welcome and Apologies
Declarations of Interest

ITEMS FOR DECISION

- 1. MINUTES**
Minutes of Meeting of the Finance and General Purposes Committee held on 6 December 2018
- 2. OUTSTANDING ACTIONS**
Action List
- 3. PROPOSED FEES FOR 2018/19**
Report by Director of Finance
- 4. MARKETING AND COMMUNICATIONS POLICY**
Covering report by Quality Officer
- 5. FINANCE SYSTEM (Confidential)**
Report by Director of Finance
- 6. FINANCE STRATEGY**
Report by Director of Finance
- 7. SCOTTISH COLLEGES FOUNDATION BID SUBMISSION MARCH 2019 (Confidential)**
Report by Director of Finance
- 8. CITB CONTRACT ISSUE (Confidential)**
Report by Director of Business Development

ITEMS FOR DISCUSSION

- 9. BUSINESS DEVELOPMENT REPORT**
Report by Director of Business Development

- 10. FINANCE MONITORING REPORT – JANUARY 2019**
Joint Report by Director of Finance and Finance Manager
 - 11. CAPITAL MONITORING REPORT – JANUARY 2019**
Report by Director of Finance
 - 12. E INVOICING**
Report by Director of Finance
 - 13. SELF EVALUATION - IMPLEMENTATION PLAN ACTIONS**
Report by Board Secretary
-

ITEMS FOR NOTING

- 14. DEBT WRITE OFF REPORT**
Report by Director of Finance
- 15. ICT SERVICES REPORT**
Report by ICT Services Manager
- 16. COMMITTEE SELF EVALUATION ACTION PLAN – PROGRESS**
Action Plan
- 17. AOCB**
- 18. DATE OF NEXT MEETING**
Thursday 6 June 2019 at 9.00 a.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 FINANCE AND GENERAL PURPOSES COMMITTEE held in the Board Room, 1 Inverness Campus on Thursday 6 December 2018.

PRESENT: Brian Henderson, Helen Miller, Chris O'Neil, Gavin Ross, Tom Speirs

CHAIR: Brian Henderson

APOLOGIES: Andy Gray, Carron McDiarmid

ATTENDING: Depute Principal
Director of Finance
Director of Organisational Development
Director of Business Development (items 1-6)
Secretary to the Board of Management

1. MINUTES

The Minutes of the Meeting of the Finance and General Purposes Committee held on 27 September 2018 were **ACCEPTED** as a correct record, were **APPROVED** and signed by the Chair.

2. OUTSTANDING ACTIONS

The Committee **AGREED** which actions had been completed and could be removed, and those which were still outstanding and would remain on the list.

The Director of Finance confirmed that limited progress had been made on budget phasing due to resource and systems issues but that this would be addressed going forward.

3. FINANCIAL REGULATIONS – ANNUAL REVIEW

The current Financial Regulations had been approved by the Board of Management in October 2017. An annual review had been undertaken by the Scrutiny Panel (28 August 2018) and SMT (19 September 2018).

The Financial Regulations had been updated to more accurately reflect operational requirements such as payment processes, and provide clearer guidance in procurement around single source supplier procurement.

The Committee asked a number of points of clarification and requested that amended wording be provided in the following sections:-

- 4 – Responsibility of the Director of Finance
- 47 – Short courses and Services Rendered
- 57.1 – Procurement
- 58.1 – Tender management (tenders and quotations)
- 90.2 – Security (reference to legislation)

Subject to the inclusion of the amended wording in the sections referred to above, the Committee **AGREED** to **RECOMMEND** the revised Financial Regulations to the Board of Management for approval.

The Committee **AGREED** that amended wording in sections 78.1 - fixed asset register and 80 Stocks and stores, to reflect a capital asset replacement plan be included in the next revision which would be submitted to the Committee in December 2019.

4. **POLICIES**

a. **Further Education Fee Waiver**

As part of the single policy environment, a single further education fee waiver policy had been developed for implementation across the partnership. The policy would ensure parity in discretionary fee waivers across the UHI partnership and provide clear guidance for both students and staff. The policy was discussed at Scrutiny Panel (28th August 2018) then distributed for Staff Consultation (3rd – 24th October 2018) before progressing to SMT (30th October 2018).

The Committee

1. **AGREED** to **RECOMMEND** the new further education fee waiver policy to the Board of Management for approval.
2. **REQUESTED** that an explanation of any potential implications of adopting the policy be included in the covering report to the Board of Management

b. **Student Support Funds**

As part of the single policy environment, a student support funds policy had been developed for implementation across the partnership. The policy would bring about more consistency in how partners made decisions on funding and how funding was provided to individuals to support them in their study. The policy was discussed at Scrutiny Panel (28th August 2018) then distributed for Staff Consultation (3rd – 24th October 2018) before progressing to SMT (30th October 2018).

The Committee

1. **AGREED** to **RECOMMEND** the student support funds policy to the Board of Management for approval.
2. **REQUESTED** that an explanation of any financial implications of adopting the policy be included in the covering report to the Board of Management

5. **PROCUREMENT STRATEGY – REVIEW OF PROGRESS**

A joint report by the APUC Supply Chain Manager and the Contracts and Procurement Co-ordinator detailed the college outcomes against objectives set out in the 2016/17 audit committee value for money report, provided 2017/18 tendering activity and set out the 2018/19 procurement objectives.

The Committee discussed the progress being made in moving orders from the SUN finance system to PECOS, the recording of all contracts on the HUNTER database and the requirement to move to E-Invoicing by April 2020.

The Committee **WELCOMED** the detailed and positive report but were mindful of the resource implications of adopting an E-Invoicing system for the

finance and procurement teams. The Committee asked that the need to make a decision on the way forward on e-invoicing was recognised and voiced an expectation that a recommendation would be forthcoming early in the New Year.

6. BUSINESS DEVELOPMENT UPDATE

A report by the Director of Business Development provided an update on business development activity as follows:-

- Modern Apprenticeship contract performance: 83 starts at period 6, forecast 147 full year (against 126 in 2017/8)
- Flexible workforce development income for 17/18 had been confirmed as £294K (£30K higher than reported)
- 32 applications were being progressed for FWDF in 2018/19 to date, to a value of over £460K
- Direct MA offer to Construction Employers was being rolled out
- 1 KTPs was in the advanced stages of application
- A range of bids for external funding had been submitted.

The Committee **NOTED** the positive report but did express concern around the CITB situation and requested an update on the discussions that were to be held – both with the Scottish Government and alternative arrangements.

7. NATIONAL BARGAINING

A report by the Director of Organisational Development advised that the statutory ballot for industrial action by lecturing staff had been issued on 29 November. There was the potential of industrial action taking place as early as 16 January 2019.

The Director of Organisational Development confirmed that if a day of action took place on 16 January, there was a clear position on wage deductions, pensions, sickness absence and holiday requests.

The Committee **NOTED** the position but remained acutely aware of the medium and long term negative financial impact.

8. FINANCE BUDGET MONITORING REPORT - OCTOBER 2018

A report by the Director of Finance provided details of the financial position for the period to 31 October 2018, the key issues being as follows:-

- A net operational deficit of £16K
- That it was unlikely that the College would achieve the HE FTE target
- The effect of the change in SFC policy on student support funds
- The negative variance of £48K within supplies and services, mostly attributable to the increase in the LIS recharge from UHI EO
- The level of age related debt

The Committee **REQUESTED** an urgent update on the reason for the level of increase in the LIS recharge.

The Director of Finance provided clarification on a number of points raised and advised that debt recovery remained an ongoing challenge for the Finance team but that the revised team structure would place more focus on debt control.

The Committee remained concerned about the overall position and that a number of areas were “repeat offenders” in terms of deficit performance.

9. CAPITAL BUDGET MONITORING REPORT - OCTOBER 2018

A report by the Director of Finance provided an update on progress against the 2018-19 capital plan. The capital year ran from April to March.

The budget for ICT equipment, £63,940 had been fully allocated against equipment refresh requirements and would be spent in full by 31 March 2019.

The budget for buildings, £261,044 related to all building capital expenditure including any necessary adjustments to the new campus buildings. The project budget for the tractor shed refurbishment was £245,927, including VAT and contingency. This left a total of £15,117 uncommitted against the buildings capital and no decisions on further works would be made until the tractor shed project was completed and final costs known.

The Chair was reassured that no supply issues were foreseen as a result of Brexit

The Committee **NOTED** the position.

10. FINANCE SYSTEM STATUS UPDATE

A report by the Director of Finance provided an update on the current status of the project to replace some of the existing finance systems in use within the UHI partnership as well as exploring alternative options. As UHI were in dispute with the contractor, no consultancy support would be available until a negotiated settlement had been agreed. This added to the difficulties with timescale.

The Director of Finance advised that the Audit Committee had discussed this matter at length and had requested that a detailed report be submitted to the Board of Management at its meeting on 18 December.

The Chair requested that the paper going to board contained sufficient resource and planning detail to allow consideration of a decision on this matter. There was a growing feeling expressed that this matter was significantly impacting on a number of areas where progress could not be made.

11. COMMITTEE EVALUATION – IMPLEMENTATION PLAN

A report by the Board Secretary referred to the committee evaluation exercise which had recently been carried out as well as outlining the proposed implementation plan with identified actions and timescales.

The Committee **APPROVED** the implementation plan.

12. RESEARCH CENTRES FINANCE ANNUAL REPORT 2017-18

A report by the Finance Manager provided a summary on the financial position of the Research area within the College, namely, the Centre for Remote & Rural Studies (CRRS), the Rivers and Lochs Institute, the

Sustainable Energy & Micro Renewables (SEAM) Centre, Forestry research and the general research area managed by the Head of Research Development.

For the period to 31 July 2018, the research area had total income of £522,224, compared with total expenditure of £926,770 resulting in a net investment of £404,546. A sum of £92,137 was funded from the ALF, whilst the remainder was the investment made by the College.

There had been a detailed discussion at the Learning, Teaching and Research Committee on the imminent retiral of two key members of research staff and the succession planning which was being put in place.

The Chair expressed concern regarding the financial support required to maintain Research. It was clearly a potential USP for the College if it could be developed to a sustainable point. However, it was felt there was a case for strategic investment from UHI to ensure the financial sustainability of the key research areas within Inverness College.

The Committee **NOTED** the report.

13. ESTATES AND ICT REPORTING

A report by the Director of Organisational Development proposed solutions and clarification to the reporting of ICT and Estates Matters.

The terms of reference for the Finance and General Purposes and the Audit Committees as well as the New Campus Project Board and the Longman Disposal Board set out clearly the remits and responsibilities in relation to ICT and Estates matters.

The Committee **AGREED** that future reporting should be made having regard to the terms of reference.

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

14. GOVERNANCE – NPD CONTRACT

A report by the Director of Organisational Development provided detailed analysis of NPD contract issues including outstanding construction ACN's, room data sheet and construction specification dispute, group 2 equipment, water claim and NPD contract compliance management.

15. CAMPUS SERVICES REPORT

A report by the Estates and Campus Services Manager provided information on developments over the last quarter in relation to campus matters including the carbon management plan, the energy management plan, waste management, capital projects and carbon management, contract management, GTFM and Soft FM, college helpdesk development, estates PM schedule and team development.

16. ICT SERVICES REPORT

A report by the ICT Services Manager provided an overview of active ICT projects including: Cyber Resilience, UHI Wi-Fi, UHI Finance System Project, VLE Review, Helpesk Software Replacement and ICT service review.

17. DEBT WRITE-OFF REPORT – OCTOBER 2018

A report by the Finance Services Manager provided information on the debts that had been written off by the Principal under delegated authority.

18. DATE OF NEXT MEETING

Thursday 7 March 2019 at 9.00 a.m.

Signed by the Chair: _____

Date: _____

Outstanding Actions from Finance and General Purposes Committee

7 December 2017				
Item	Action	Responsibility	Time Line	Actioned
Finance Monitoring Report	Enhanced report in future to inform the committee of the impact of government resource budgets	Director of Finance	March 2019	
	Further develop budget phasing	Director of Finance	Aug 2019 for Sept 2019 meeting	
Debt Write off	A more proactive approach would be taken to debt recovery and on understanding the reasons for the level of debt, especially Nursery fees.	Director of Finance	July 2019 for Sept 2019 meeting	
	Further detail be provided so that patterns of debt and trends could be identified	Director of Finance	March 2019	
27 September 2018				
Item	Action	Responsibility	Time Line	Actioned
SFC FFR	Financial provision for backfill of staff absence in the 2019 budget	DoF	May 2019	
6 December 2018				
Financial regulations	amended wording in sections 78.1 - fixed asset register and 80 Stocks and stores, to reflect a capital asset replacement plan be included in the next revision	D of F	Annual review 2019 - Dec 2019 meeting	
Procurement strategy – e invoicing	Expectation that a recommendation on the way forward re e invoicing would be forthcoming early in the New Year.	D of F	By end Jan 2019	
Business Dev - CITB	an update on the discussions that were to be held – both with the Scottish Government and alternative arrangements	D of Bus Dev	As soon as discussions were complete	

Board of Management

Subject/Title:	Proposed Fees for 2019/20
Author: [Name and Job title]	Fiona Mustarde, Director of Finance
Meeting:	Finance & General Purposes
Meeting Date:	7 March 2019
Date Paper prepared:	22 February 2019
Brief Summary of the paper:	To provide the Committee with the proposed fee rates for those FE tuition fees set by Inverness College UHI, and for the ELCC rates for the academic year 2019/20. Agreeing these fees now will enable front line staff to provide accurate definitive prices to enable customers to make informed decisions.
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:	No If yes, please specify:
Risk implications:	Yes If yes, please specify: Operational: without new fee rates staff unable to provide prospective students with accurate information. Organisational: delays in providing fee information could lead to students making alternative choices thereby impacting on recruitment
Equality and Diversity implications:	No If yes, please specify:
Consultation: [staff, students, UHI & Partners, External] and provide detail	N/A

ITEM 3

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

Proposed Fees 2019/20

Executive summary

Under the terms of the Further and Higher Education (Scotland) Act 1992, College Boards of Management are required to set and charge fees for education provision with some exceptions. The full time fee rates are not within our control and are set nationally. HE fee rates are set by UHI and there is agreement that all academic partners charge the same rates.

Commercial courses are costed to ensure the charges made enable the courses to run on a financially viable basis and provide an element of contribution towards overheads. These charges are not included in the schedule of proposed fees.

A proposed schedule of fees for 2019/20 has been set out in the appendices.

Higher Education (HE) Fees

In the case of HE fees, there is agreement that all Academic Partners (APs) will levy uniform fee charges, as set by UHI EO and approved by University Court.

Full time HE fees are set nationally on an annual basis but have not changed for a number of years. Part-time fees and those for non-EU students for HE level courses have been considered and set by UHI and are shown within appendix 1 for information only.

Further Education (FE) Fees

For FE courses, full-time fees are set nationally. Part-time FE level course fees remain to be set by colleges' Boards of Management locally. In setting the rate of increase, we have considered the following:

- consumer price index (CPI and CPIH) as our inflation measures
- anticipated cost of living pay awards
- Brexit
- market forces

Increases of approximately 2.2% are proposed for our FE tuition fee rates for 2019/20. The most recent published figures for inflation for January 2019 are 1.8% (CPI) and 1.8% (CPIH, CPI but also includes owner occupiers' housing costs). RPI (2.5%) is no longer used as a national statistic. Whilst the increase of 2.2% is slightly higher than the January position, it reflects the average CPIH inflation rate over the last 12 months.

Teaching staff have yet to conclude negotiations in relation to the 2018/19 pay position so the final outcome is unknown. Support staff agreed a 2½ year deal which reflects a range of uplifts from a minimum of £650 to a maximum of £1,600 with the majority of staff falling in between these boundaries and receiving either 3% or 2% depending on their salary levels in 2018/19 and 2019/20.

The impact of Brexit on our cost base is as yet unknown. It is widely believed that consumables costs will rise after the UK leaves the EU but it is not possible to quantify at this stage.

We need to balance these cost rises against the recruitment position. Recruitment to both FE and HE remains challenging and significant increases in fees for those who are self-funding, or for employers, may not be acceptable to the market thereby creating avoidable barriers to student recruitment. FE fee rates are an important, but relatively small, factor in our income streams.

In the case of international fee rate students, the College policy has historically been to set a fee that broadly equates income from these students to combined fee and grant income received by the College for home and EC students.

The same fee rate has been set for student with an RUK fee status. RUK refers to rest of the UK and this applies to students from within the UK but out with Scotland who come here specifically to study. The rate is set at the same level as international students as these students are not fundable and therefore do not count towards our credit target. Whilst RUK students studying at HE level can normally receive tuition fee loans from the Student Loans Company, there is little support available for those studying at FE level.

Part-time courses for overseas students are charged at circa four times the standard rate for EU students.

Fee Waivers

FE fee waivers are expected to continue to be available in 2019/20 to eligible students under the SFC scheme. Fee waiver grant forms part of the funding received from SFC to compensate for revenues lost by colleges as a consequence of not making direct charges to students. This is included within the main core grant and not paid separately. As a UHI college, fee waivers are only available at FE level and not for HE activity. Part-time HE students must apply to SAAS for funding.

Professional Development Award (PDA) and Other Fees

There are some courses which are priced independently to take account of the activity required for successful delivery. Some of these courses, such as the SVQs, relate to activity which is largely delivered under contractual arrangements with employer organisations. Many of the PDA courses are HE level activity. These fees have not been covered in this review.

Nursery Fees

The attached appendix shows both the current charges for nursery provision in 2018/19 and the proposed rates for 2019/20. The rates have been set through reviewing the costs of the provision and contrasting with the charges levied by comparable nursery providers in our area.

TUITION FEES

HE	2018/19 Fee (£)	2019/20 Fee (£)	
FULL TIME COURSES			
SC & EU Students - HNC/D	1,285	1,285	(a)
SC & EU Students - Degree Courses	1,820	1,820	(a)
RUK Students - HNC/D	6,720	6,720	
RUK Students - Degree Courses - Arts (note 1)	9,000	9,000	
RUK Students - Degree Courses - Science (note 1)	9,000	9,000	
Off-campus (no term-time address in Scotland)			
RUK/EU Students - Degree Courses - Arts	6,120	6,120	
RUK/EU Students - Degree Courses - Science	6,120	6,120	
PART TIME COURSES			
HN SQA modules / units			
0.5 Credit SC & EU	43	43	
1 Credit SC & EU	86	86	
Double Credit SC & EU	172	172	
RUK per SQA credit	448	448	
Undergraduate modules			
SC & EU - per 20 credit module	215	215	
SC & EU - structured part-time	644	644	
RUK per 20 credit degree module - Arts	1,500	1,500	
RUK per 20 credit degree module - Science	1,500	1,500	
RUK per 20 credit degree online module - Arts	1,020	1,020	
RUK per 20 credit degree online module - Science	1,020	1,020	
Postgraduate Progs (MSc):			
UK & EU fee per 20 credit module	560	560	
UK & EU fee for dissertation (equiv 60 credits)	1,680	1,680	
UK & EU fee (120 credits plus dissertation)	5,000	5,000	
RUK fee per 20 credit module	650	650	
RUK fee for dissertation (equiv 60 credits)	1,950	1,950	
RUK fee (120 credits plus dissertation)	5,850	5,850	
International Students - Full Time Courses			
Degree Courses - Arts, Humanities, Social Sciences, Business	11,100	11,650	5.0%
Degree Courses - Science and Technology (min 90 credits)	12,200	12,800	4.9%
HNC/D - Arts, Humanities, Social Sciences, Business (min 12 SQA credits)	6,720	6,855	2.0%
HNC/D - Science and Technology (min 12 SQA credits)	6,720	6,855	2.0%
International Students - Part Time Courses			
Per 20 credit degree module – Arts	1,850	1,941	4.9%
Per 20 credit degree module – Science	2,034	2,133	4.9%
Per 20 credit degree online module – Arts	1,020	1,020	(b)
Per 20 credit degree online module – Science	1,120	1,120	(b)
Per single SQA credit - Arts	448	457	2.0%
Per single SQA credit – Science Subjects	448	457	2.0%
International Students - Postgraduate MSc			
On campus (term-time address in Scotland)			
Per 20 credit degree module	1,260	1,340	6.3%
Int fee for dissertation (equiv of 60 credits)	3,780	4,020	6.3%
Int fee (120 credits plus dissertation)	11,340	12,060	6.3%
Off-campus (no term-time address in Scotland)			
Per 20 credit degree module	900	960	6.7%
Int fee for dissertation (equiv of 60 credits)	2,700	2,880	6.7%
Int fee (120 credits plus dissertation)	8,120	8,640	6.4%
UHI Diploma in Counselling			
Year 1 - 40 Credits (P/T) SCQF Level 7 (COSCA Certificate)	430	430	
Year 2 - 80 Credits (P/T) SCQF Level 7	860	860	
Year 3 - 120 Credits (F/T) SCQF Level 8	1,285	1,285	

(a) subject to confirmation from SFC

(b) awaiting confirmation from UHI

SC = Scottish Domiciled Students

RUK = Rest of UK Students

EU = European Union Member States Students

UK = both Scottish Domiciled and RUK

International = Students not covered by the above

All HE fees set by UHI

Note 1: Maximum charge for full degree capped at 3 years - final year is "free".

TUITION FEES

FE	2018/19 Fee (£)	2019/20 Fee (£)	Inc in % terms
FULL TIME COURSES			
Non-Advanced (FE) level ie NC/NQ:			
Home and EU students	1,008	1,008	Set nationally
RUK Students	5,720	5,846	2.2%
International Students	5,720	5,846	2.2%
PART TIME COURSES			
Non-Advanced (FE) level:			
SQA modules / units			
0.5 Credit	58	60	3.4%
1 Credit	116	119	2.6%
Double Credit	232	238	2.6%
NQ Higher – all levels (including 1 examination entry)	330	338	2.4%
Intermediate 2	330	338	2.4%
English for Speakers of Other Languages (ESOL)			
ESOL - Lower Elementary to Upper Intermediate per course	570	583	2.3%
ESOL Advanced	760	777	2.2%
PART TIME COURSES - International Students			
Non-Advanced (FE) level:			
SQA modules / units			
0.5 Credit	232	238	2.6%
1 Credit	464	475	2.4%
Double Credit	928	949	2.3%
NQ Higher – all levels (including 1 examination entry)	1,297	1,326	2.2%
Intermediate 2	1,297	1,326	2.2%
English for Speakers of Other Languages (ESOL)			
ESOL - Lower Elementary to Upper Intermediate per course	2,290	2,341	2.2%
ESOL Advanced	3,070	3,138	2.2%

Inverness College UHI Nursery Fees

		IC wef 6 Aug 18	IC wef 5 Aug 19	% Uplift
Babies & Toddlers (0-3)	Weekly	217	222	2.30%
Early Years (3-5) (pre council funding)	Weekly	197	202	2.54%
Babies & Toddlers (0-3)	Daily	44	45	2.27%
Early Years (3-5) (pre council funding)	Daily	41	42	2.44%
Babies & Toddlers (0-3)	Session	24	25	4.17%
Early Years (3-5) (pre council funding)	Session	22	23	4.55%

Board of Management

Subject/Title:	Marketing and Communications Policy
Author: [Name and Job title]	Georgina Parker, Director of Business Development
Meeting:	Finance and General Purposes Committee
Meeting Date:	7 March 2019
Date Paper prepared:	21 February 2019
Brief Summary of the paper:	To inform the Committee of the new Marketing and Communications policy
Action requested: [Approval, recommendation, discussion, noting]	The Committee is asked to consider the new Marketing and Communications policy and approve it for progression to the next stage of approval. As this is a new policy final approval will take place at full Board of Management
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	The new Marketing policy was discussed at Scrutiny Panel (28 February + 6 September 2018), SMT (30 October + 20 December 2018) and MORAG (6 December 2018). Following the F&GP Committee, the policy will be submitted to the full Board of Management for final approval.

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

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



Marketing and Communications Policy

REFERENCE: (will be inserted by Quality Unit)

Policy Owner	Director of Business Development
Lead Officer	Director of Business Development
Review Officer	Marketing and Communications Manager
Date first approved by BoM	
First Review Date	
Date review approved by BoM	
Next Review Date	
Equality impact assessment	
Further information (where relevant)	

Reviewer	Date	Review Action/Impact

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DRAFT

1. Policy

- 1.1. Inverness College UHI is committed to providing information about learning opportunities which are fair and accurate, timely, current, transparent and focused on the needs of the intended audiences.
- 1.2. Inverness College UHI is committed to providing clear, accurate, comprehensive and accessible information on its courses, entry requirements and associated marketing and communications procedures at relevant stages of the process.
- 1.3. Marketing and publicity information will be available and retrievable where intended audiences and information users can reasonably expect to find it; the format and delivery of information will take account of the access requirements of a diverse audience.

2. Legislative framework / related policies

- UK Data Protection Act 2018
- EU General Data Protection Regulation (GDPR) 2016/679
- Disability Discrimination Act (2005)
- Equality Act 2010
- Freedom of Information (Scotland) Act 2002
- Consumer Protection Law
- Admissions Policy
- Quality Policy
- Freedom of Information Policy
- Data Protection Policy
- ICT Code of Conduct
- Gender Action Plan

3. Policy Aims

- 3.1. To attract learners to study at Inverness College UHI and to communicate positive messages to both internal and external stakeholders in a coherent, innovative and effective way.
- 3.2. To promote all aspects of Inverness College UHI activities, including apprenticeships, events, short courses etc.
- 3.3. To provide advice on internal, external and corporate communications and media relations.

- 3.4. To maximise Inverness College UHI's relationships with external stakeholders in order to further enhance its reputation.
- 3.5. To support the Inverness College UHI Strategic Plan and complementary Marketing and Communication Strategy, through high quality marketing activities.

4. Scope

- 4.1. This policy applies to Inverness College UHI staff and relates to all marketing and communications.

5. Implementation

- 5.1. Marketing and Communications procedures that will form part of this policy include:-
 - 5.1.1. Public Relations and Internal Marketing procedure
 - 5.1.2. Website and Digital Marketing procedure
 - 5.1.3. Promotions and Publications procedure
 - 5.1.4. Social Media procedure

6. Responsibilities

- 6.1 The **Director of Business Development** is responsible for ensuring that: The Marketing and Communications policy is reviewed and any changes are approved by the Senior Management Team and Board of Management.
- 6.2 The **Marketing and Communications team** is responsible for ensuring that:
 - 6.2.1 Information provided by managers is included in the prospectus, and Inverness College UHI website and other promotional materials for all provision, including January start and evening/leisure courses.
 - 6.2.2 Public relations activity promotes and enhances the profile and reputation of the college regionally, nationally and internationally.
 - 6.2.3 Communication channels are utilised to engage stakeholders including staff, students and the wider community to promote the work of the college and maintain effective partnerships and relationships.
 - 6.2.4 Information is kept up-to-date in a centralised repository around branding guidelines including use of the logo and consent for filming/photography.
- 6.3 **Managers** are responsible for:

- 6.3.1 Ensuring that requests for support are in line with timescales in the marketing procedures.
- 6.3.2 Advising Marketing and Communications team of upcoming events, key dates and deadlines.
- 6.3.3 Identifying opportunities for articles, case studies and photographs/videos that will help to promote the full range of college activities and courses.
- 6.3.4 Ensuring that staff and students in their area are signposted to the Marketing and Communications policy and procedures.

6.4 **All staff** are responsible for supporting the College marketing and communications effort.

- 6.4.1 Staff should ensure that they familiarise themselves with the Marketing and Communications policy and procedures. Procedures specify timescales for the planning of campaigns, activities and marketing collateral.

7. Compliance

- 7.1 This responsibility for compliance with the Marketing and Communications policy lies with all staff. The policy will be regularly reviewed and reports submitted to the Senior Management Team and Operational Management Group.

8. Monitoring

- 8.1 The policy will be monitored and its implementation evaluated, and a monthly marketing progress report will be presented to Senior Management Team.
- 8.2 The marketing budget is monitored on a monthly basis (or whenever budget reports are received from Finance) by the Marketing and Communications Manager and the Director of Business Development.

9. Review

- 9.1 The Marketing and Communications Policy will be reviewed on a 3 yearly basis, or sooner if legislative change requires.

Board of Management

Subject/Title:	Finance System
Author: [Name and Job title]	Fiona Mustarde, Director of Finance
Meeting:	Finance & General Purposes
Meeting Date:	7 March 2019
Date Paper prepared:	22 February 2019
Brief Summary of the paper:	To outline to the Committee the proposed interim solution of upgrading the existing SUN system to the latest available version of SUN 6.3 to aid effective financial management.
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 	Compliance – Cyber Essentials security Risk management – provides mitigation for financial risks through improved system and processes and better information Strategic plan – supports the college towards financial sustainability
Resource implications:	Yes If yes, please specify: Approximately £30k consultancy to implement, staff time
Risk implications:	Yes If yes, please specify: Operational: error rate through manual processes, low quality data without new system Organisational: current system significant barrier to effective financial management
Equality and Diversity implications:	No If yes, please specify:
Consultation: [staff, students, UHI & Partners, External] and provide detail	N/A

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

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

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

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

Board of Management

Subject/Title:	Finance Strategy 2018/19 to 2022/23
Author: [Name and Job title]	Fiona Mustarde, Director of Finance
Meeting:	Finance & General Purposes Committee
Meeting Date:	7 March 2019
Date Paper prepared:	26 February 2019
Brief Summary of the paper:	To present the revised draft Finance Strategy for Committee approval following extensive SMT review and the Board of Management away day on 25 January 2019.
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 	Strategic plan – enabling strategy that fits with the other College enabling strategies to deliver the current Strategic Plan and beyond. Risk management – addresses the most significant risk to the College of financial sustainability Compliance – addresses the requirements of Audit Scotland and under the Financial Memorandum for longer term financial planning (5 years).
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.)			

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Revised Draft Finance Strategy 2018/19 to 2022/23

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.

The Committee is asked to approve the revised draft Finance Strategy and recommend to the Board of Management for approval.

Background

In their report on Scotland's Colleges in 2016, Audit Scotland recommended that colleges should prepare longer-term financial plans in order to support financial decision-making that takes account of both immediate and future cost pressures. The Financial Memorandum between UHI and Inverness College UHI states a requirement that "The College plans and manages its activities to remain sustainable and financially viable". The primary method of communicating this to UHI and the SFC is the completion of longer term financial forecast returns (FFRs).

The existing Inverness College Finance Strategy was developed in 2011 covering the period through to 2020. During this time, the College has been through significant change. In financial terms, the change in reclassification to become a public sector body in 2014 has had a significant impact and this, along with national pay bargaining, challenging student recruitment, inflationary pressures and the uncertainty surrounding Brexit, present financial challenges for the College.

Building the Finance Strategy

The Finance Strategy lays the foundations to achieving financial sustainability through facilitating growth, realising opportunities and maximising efficiency, effectiveness and economy. The first draft was prepared and submitted to the September 2018 meeting of the F&GP Committee and then onwards to the Board of Management in October 2018. Also presented to the same meetings was the FFR 2018, demonstrating a deteriorating financial position over the 5 years. The positive gains anticipated from the new strategy had not been clearly articulated and were not reflected in the FFR which was effectively presenting a status quo position. The Board raised concerns about clarity of context, clear actions and scenario planning and requested a revised strategy to come forward to a future meeting.

In response to these concerns, the SMT held workshops and further discussion meetings to address the following key objectives:

- Create/confirm an enabling financial strategy that underpins the delivery of the overall strategy
- Define, isolate and manage finance related risk

- Promote and enhance the student experience
- Build confidence around VFM
- Identify and prioritise key areas for action
- Foster cultural and behavioural change

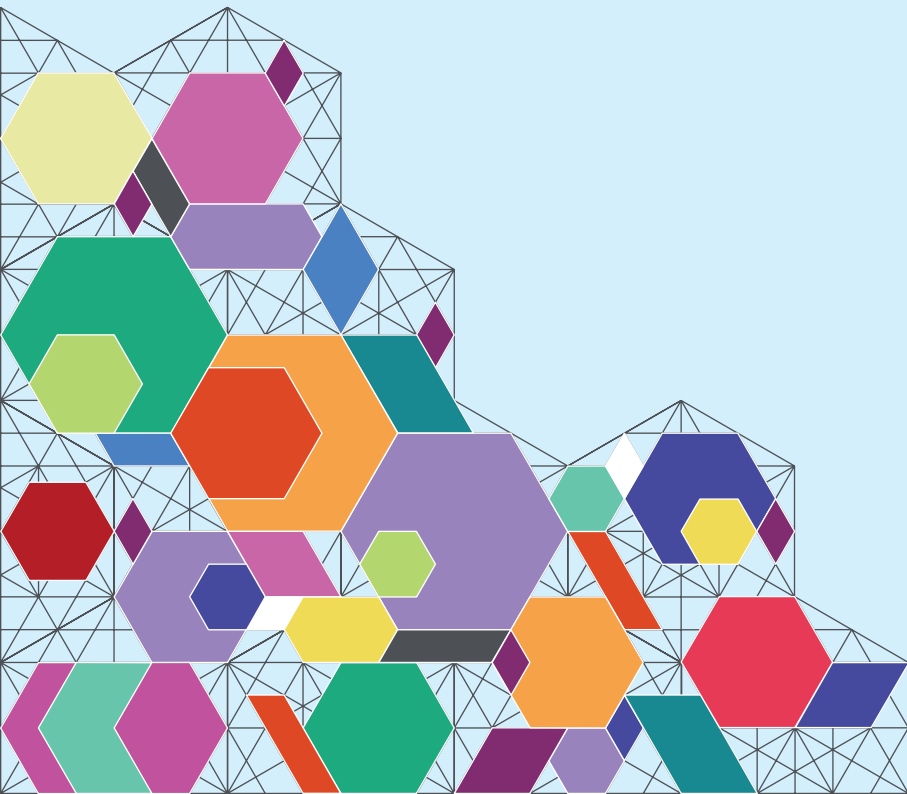
This work led to confirmation that the initial objectives identified were broadly appropriate, albeit with some minor changes. The more significant changes come from a clearer articulation of the financial context, and a shared understanding of the detailed actions needed to achieve the objectives.

The culmination of the work to date was presented to the Board of Management at an away day on 25 January 2019. This provided an opportunity for Senior Management to inform the Board members of the approach taken, advise of the outcomes and to engage with Board members to support and guide further development of the strategy.

The resulting revised draft strategy is attached as track changes to aid Committee members in identifying the changes made from the initial draft.

START
TOMORROW
TODAY

Finance Strategy 2018/2019 – 2022/2023



Finance Strategy 2018/2019 - 2022/23

How to use this strategy

It is intended that this strategy will provide clear direction to the Board of Management, staff and stakeholders of Inverness College UHI (ICUHI) on our strategic approaches to finance and financial sustainability.

Staff should make use of this strategy when creating their operational plans.

Context

This strategy has been developed to address the need for long term financial planning. It has been guided by the current ~~under the~~ Inverness College UHI Strategic Plan for 2017-2020, taking account of the significant changes in funding which the College sector in Scotland is currently experiencing. This is an enabling strategy that will support the development of the next iteration of the overarching Strategic Plan.

In line with the majority of colleges within the Scottish education sector, Inverness College UHI has historically been dependant on government grant funding through the Scottish Funding Council. With a Scottish Funding Council grant funding level in excess of 70%, this reliance presents a risk, particularly in times of challenging public sector budget allocations.

Scottish Funding Council grant funding assumptions for future years do not allow for inflationary uplifts and, in addition, colleges are expected to find efficiency savings of at least 3% each year. The largest element of the College's cost base is employment costs. The College is a signatory to the National Recognition and Pay Agreement and as such, must implement the outcome of collective pay bargaining outcomes which are negotiated at a national level on behalf of the sector. Employer contributions to pension schemes are not only rising as a percentage of the increased pay levels, but there is also substantial increase in the teaching pension scheme rates, up from 17.2% to 22.4% in April 2019. Therefore the only direct control that can be exercised on employment costs relates to staff numbers, job roles and deployment of staff.

Capital grant funding for infrastructure is limited, and there is still a large proportion of the college estate in Scotland which is aged and requires significant investment, as evidenced by the sector condition survey commissioned by the Scottish Funding Council during 2017/18. This places additional pressure at a national level on the allocation of capital grant funding. For 2018/19, some areas identified as very high priority in the sector condition survey received specific capital grant funding however the general allocation was reduced. Whilst Inverness College UHI is in the fortunate position of having a new campus and significant investment in other estate, the maintenance costs of ensuring that these assets are adequately maintained is

considerable. There is a risk that funding levels may not be sufficient in future years to adequately address both buildings and ICT requirements.

~~Audit Scotland, in their report “Scotland’s colleges 2016”, recommended that colleges develop long-term (minimum of five years) financial strategies underpinned by medium-term financial plans that link to workforce plans and take account of significant financial pressures such as national collective bargaining, estate development and maintenance and student support funding.~~

As a significant partner within the University of the Highlands and Islands (UHI) and an incorporated college, the main source of income for the College is grant funding allocated by the Scottish Funding Council to UHI. There are two distinct funding streams, Further Education and Higher Education, which both have different bases and measurement.

In 2015, the Scottish Funding Council embarked on a three year transition to a new simplified funding regime for further education, however largely due to the impact arising from the implementation of national pay bargaining across the Scottish college sector, the simplified funding regime has not been fully transitioned. The resulting uncertainty around funding methodology has a negative impact on medium and long term planning.

Currently, university higher education funding is allocated on a course basis, with the course attached to the relevant price group to identify the funding allocated. However in future, the Scottish Funding Council intend to allocate university higher education funding on the basis of the relevant price groups of individual units within a course, rather than the award itself. This will impact on all UHI partners and further analysis is being undertaken at a UHI level to fully understand the implications of this change.

~~However, w~~What is clear is that colleges must maximise income from sources other than the Scottish Funding Council in order to remain financially sustainable and support future growth and investment. It is a requirement of the Financial Memorandum between the College and UHI as the Regional Strategic Body that the College plans and manages its activities to remain sustainable and financially viable. It states that “A College is being managed on a sustainable basis if, year on year, it generates sufficient income to cover its costs and allow for maintenance of and investment in its infrastructure (physical, human and intellectual) at a level which enables it to maintain adaptive capacity necessary to meet future demands.”

Audit Scotland, in their report “Scotland’s colleges 2016”, recommended that colleges develop long-term (minimum of five years) financial strategies underpinned by medium-term financial plans that link to workforce plans and take account of significant financial pressures such as national collective bargaining, estate development and maintenance and student support funding.

To address these challenges, the College believes that there is no single solution that will have the desired level of impact. Instead, the Finance Strategy recognises that the solution is a strategy of incremental gains and improvements across the College, spanning income generation through to cost effectiveness and efficiency.

The Finance Strategy is interdependent with all the College enabling strategies. The strategic objectives in many of our strategies form the building blocks for the Finance Strategy. In order to be successful and achieve our strategic aims as stated in the Strategic Plan 2017-2020, the strategies must demonstrate effective synergy.

~~The strategic objectives in many of our strategies form the building blocks for the Finance Strategy. Success across our enabling strategies will drive success within the Finance Strategy.~~

Strategic Objective 1: To maximise the curriculum offer through the effective and innovative use of resources

We will achieve this by:

- Curriculum planning ensuring delivery of viable demand-led sustainable curriculum that matches available resources
- ~~Thorough Curriculum~~ review ensuring that curriculum and methods of delivery meet student expectations including the identification of under-performing areas
- Effective timetabling to ensure deployment of assets is maximised and campus provision is operating efficiently
- Continual review of operations to maximise efficiencies in staffing and other resources
- Forward planning and environmental scanning enabling the College to anticipate future requirements and plan for these
- Increasing the flexibility of our estate to meet demand and support growth opportunities~~catch demand~~
- Working with our facilities provider and other suppliers to ~~ensure our estate is operating efficiently~~secure efficiencies in our estate and reduce waste

Strategic Objective 2: To develop integrated reporting to better inform decision making

We will achieve this by:

- The development of a barometer containing summary performance indicators from a range of underlying data sources to provide a clear, transparent and comparable tool
- The completion of detailed course costings on a consistent basis as an integral element of the validation process, and subsequent review and evaluation of effectiveness and sustainability

- Clear understanding of the differing needs of budget holders leading to enhancement of financial monitoring reports to better meet those needs
- Investing in our financial and management information systems to improve data capture and remove manual processes
- The development of corporate monitoring reports to include more non-financial and qualitative data
- Working with UHI Executive Office and academic partners to identify information requirements

Strategic Objective 3: To increase non-SFC income streams

We will achieve this by:

- Curriculum review, ensuring that curriculum and methods of delivery meet student expectations and are attractive to full fee paying students
- Continually assessing our wider offer and effective promotion of all resources, both physical and human
- Identifying and acting on opportunities for contract research and consultancy
- Working with stakeholders such as government agencies, third sector agencies and industry to increase the provision offered
- Ensuring that all levels, Foundation, Modern and Graduate, of apprenticeship curriculum are current and will provide students with the relevant skills to meet employer expectations
- Working with employers to understand their needs and expectations, and tailoring our commercial offering to match
- Effective, targeted promotional campaigns
- Actively seeking new stakeholder engagements

Strategic Objective 4: To increase the number of full fee paying students

We will achieve this by:

- Trans National Education (TNE) using specific models and products appropriate to this activity and attractive to prospective students
- Setting challenging but achievable targets for recruitment of an appropriate cohort of students per year
- Working with UHI to invest in effective marketing and promotion of identified curriculum in targeted international recruitment
- Working with UHI to ensure that student applications are processed efficiently and effectively thereby increasing the conversion rate
- Identifying and focussing on specific markets through the effective use of market intelligence
- Establishing and articulating market status through inclusion in relevant league tables
- Adding value to the offer for full fee paying students
- Providing an excellent student experience which will raise the profile and standing of the institution

Strategic Objective 5: To engage with UHI to further strengthen delivery formats, meet student expectation and satisfy the needs of stakeholders

We will achieve this by:

- Engaging with academic staff across the UHI partnership to identify suitable options
- Using data available to identify strengths and expanding on these whilst also identifying opportunities for change and cost effective growth
- Full participation in relevant pan UHI curriculum planning forums
- Monitor the qualitative experience through curriculum planning, student feedback and stakeholder focus groups

Strategic Objective 6: To develop staff awareness and knowledge of the benefits of effective resource allocationprocurement and their responsibilities in maximising efficiencyrole within this

We will achieve this by:

- Supporting staff in achieving efficiency savings and/or gains through the introduction of efficiency targets
- Working with staff at all levels to continually review costs and understand their responsibilities regarding economy, efficiency and effectiveness
- Clearly articulating to staff the benefits to be realised from incremental / marginal gains and how all staff can contribute towards financial sustainability
- Continually reinforcing the importance of accurate, timeous data, particularly in relation to student and course data within the student information system
- Quarterly high level reporting to middle and senior managers
- All staff e-newsletter, workroom briefings, staff conference and discussion through meeting and committee agendas
- Providing ~~group~~ training sessions that are relevant, concise and supported by appropriate materials
- Supporting individual staff with training and guidance, regularly checked through PDR oversight
- Reviewing processes and procedures, working with staff to identify and remove non-value activities
- Rolling out the procurement process to all staff and developing appropriate mechanisms to monitor success, including evaluation of added value benefits secured through effective procurement practices

Key Performance Indicators

KPI
Non-SFC income as a % of total income
Days ratio of cash to total expenditure
Staff costs as a % of total expenditure
Staff costs as a % of total income
Underlying operating surplus/(deficit) as a % of total income

<u>Full fee paying students as a % of target</u>
--

<u>Student to Staff Ratio - SSR</u>

Cross Reference to Strategic Plan

This strategy links to the following strategic aims:

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

Board of Management

Subject/Title:	Scottish Colleges Foundation Bid Submission March 2019
Author: [Name and Job title]	Fiona Mustarde, Director of Finance
Meeting:	Finance & General Purposes
Meeting Date:	7 March 2019
Date Paper prepared:	26 February 2019
Brief Summary of the paper:	To provide the Committee with the opportunity to discuss the funding applications submitted to the Scottish Colleges Foundation in March 2019. Due to the timing of the Trustees meeting on 6 March 2019, the bids were circulated by e-mail for approval in advance of the submission deadline of 22 February 2019.
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 	Strategic plan - investment
Resource implications:	Yes If yes, please specify: If successful, will provide the funding to support specific initiatives.
Risk implications:	Yes If yes, please specify: Operational: funding required to support increasing the flexibility of our teaching estate. Organisational: serious financial implications if Group 2 funding not secured. Lack of investment in estate could have a negative impact on the student experience thereby impacting on reputation and student recruitment.
Equality and Diversity implications:	No If yes, please specify:
Consultation: [staff, students, UHI & Partners, External] and provide detail	N/A

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

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

Board of Management

Subject/Title:	CITB Sub-Contractor update
Author: [Name and Job title]	Georgina Parker, Director of Business Development
Meeting:	Finance and General Purposes Committee
Meeting Date:	7 March 2019
Date Paper prepared:	28 February 2019
Brief Summary of the paper:	To update the committee on the current position with regards the CITB contract for 2018-2021.
Action requested: [Approval, recommendation, discussion, noting]	To consider whether the Committee wishes to recommend to the Board that the College enters into a contract with CITB
Link to Strategy: Please highlight how the paper links to, or assists with: <ul style="list-style-type: none"> • compliance • partnership services • risk management • strategic plan • new opportunity/change 	Compliance with Contract Opportunity for Growth
Resource implications:	Yes / No If yes, please specify: please see report
Risk implications:	Yes / No If yes, please specify: Operational: Organisational: funding risk, reputational risk
Equality and Diversity implications:	Yes/No If yes, please specify:
Consultation: [staff, students, UHI & Partners, External] and provide detail	

ITEM 8

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.)			

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Board of Management

Subject/Title:	Business Development Update
Author:	Georgina Parker, Director of Business Development
Meeting:	Finance & General Purposes Committee
Meeting Date:	7 March 2019
Date Paper prepared:	19 February 2019
Brief Summary of the paper:	<ul style="list-style-type: none"> • Modern Apprenticeship contract performance: 110 starts at period 10, forecast 133 full year. • Modern Apprenticeships in learning have increased to x against y • A bid has been submitted for 283 Modern Apprenticeship starts for 2019/20. This includes an ambitious request for 102 construction Modern Apprentices. • 42 applications are being progressed for FWDF in 2018/19 to date, to a maximum value of £598K (of £890K Available to the UHI partnership). • Short Course income in December stood at £158K against a budget of £147 (actual income £99K in 2017/18). • 2 KTPs have been submitted and have passed the initial criteria to be forwarded to the decision panel. • Food & Beverage income to December 2018 was £23K against a budget of £7K (against £6K in December 2017) • External funding of £24K has been secured for a Men into Healthcare programme, £3K towards the garden project and £10K from the Cycle Friendly Campus scheme.
Action requested: [Approval, recommendation, discussion, noting]	The committee is requested to discuss the business development update paper.
Link to Strategy: Please highlight how the paper links to, or assists with:: <ul style="list-style-type: none"> • compliance • partnership services • risk management • strategic plan • new opportunity/change 	Compliance: <ul style="list-style-type: none"> • SDS audit • SFC audit New opportunity: <ul style="list-style-type: none"> • Additional FWDF funding for both 17/18 and 18/19 • Growth in Modern Apprenticeship contract • Potential direct contract for CITB Apprenticeships 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"> International recruitment. Measures to ameliorate risk will be identified as part of the strategy development. Financial: <ul style="list-style-type: none"> Impact on cash flow of move to UHI regional MA contract 		
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 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)	
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Business Development Directorate Update

Modern Apprenticeships Contract

1. Modern Apprenticeship (MA) contract performance is in line with the value forecast, however the full year forecast for starts has been reduced from 147 to 133. This is due to a reduction in the number of starts which had been requested by Cap Gemini, which have had to be returned to the UHI hub for re-distribution and the fall in aquaculture starts.
2. Overall starts will have increased by less than 10% in-year. However, the effect on income carrying in to 2018/9 will be positive with high value frameworks such as ICT and Forestry replacing lower value frameworks.
3. The UHI regional contracting model has worked well for ICUHI, providing year-round flexibility to trade starts across the partnership
4. The CITB national MA contract/delivery issue is still ongoing. A separate report will be provided to F&GP and the Board in March 2019.
5. A bid has been submitted for 283 Modern Apprenticeship starts for 2019/20. This includes an ambitious request for 102 construction Modern Apprentices. I would not expect SDS to allocate the full number to us but it was important to show intent to SDS and to provide them with an alternative to contracting with CITB.
6. With the construction starts removed, ICUHI's proportion of the Modern Apprenticeship bid this year represents 55% of the regional bid.
7. The Apprenticeship+ offer has been extended to include Motor Vehicle. Delivery models have been reviewed and revised in order to enable us to compete with Moray Firth Training.

Flexible Workforce Development Fund

1. The Scottish Government launched the second year of the "Flexible Workforce Development Fund" in August 2018. The allocation to UHI remained at £890K. The partnership delivered approx. £560 in 2017/8.
2. To date, ICUHI has 42 applications in progress worth a maximum of £598K for 2018/19 against a total of £294K in 2017/8. Popular courses this year include Prince 2, ICT, Train the Trainer and H&S.
3. The UHI partnership has applications for the full £890K this year and further applications are being put on a waiting list. The funding was allocated on a first-come-first-served basis, in line with SFC guidance. The ICUHI applications represent 67% of the regional allocation. Where companies applying were situated in areas closer to partner colleges, the partner was contact to ascertain whether similar course provision was available.

Projects, Bids and Innovation

1. A Knowledge Transfer Partnership (KTP) application for BSW has been accepted by KTP North and has been forwarded to the approvals panel. We expect to hear whether this has been successful by the end of March. A further KTP application with National Trust for Scotland has been developed by the Research team and accepted for submission to panel. There are a further three proposals in their early stages with Pure Lubrication, Bio Fuels and Yellow Cherry. Norbord has expressed an interest in exploring options.

2. A project design brief has been developed for the Inverness Campus Sports pitch. The contract for the design was put out to tender on 22nd February 2019.
3. A £6 million contribution to the cost of developing the proposed “Trees to Timber Homes” facility included in outline proposals for the Islands Growth Deal was not accepted. All funds have been allocated to projects based in the Islands.
4. Bids have been won for: A project to increase the number of males in Childcare, a project to develop materials to increase the productivity of tourism businesses, a craft related research project in partnership with Birmingham City University IDEAS institute and a bid for cycles, safety equipment and racks (Cycle Friendly Campus).

Commercial Short Course income

1. The budget monitoring report for short courses to December (Appendix 1) showed income of £158K against a budget of £147. This compares favourably to income in December 2017 of £99K.
2. Please see the notes below the budget monitoring report, which highlight the fact that whilst it currently shows budget and actual income and costs for short courses, it also contains staff costs for MA and FWDF employer engagement and contract management as well as delivery costs relating to FWDF. Despite these significant income streams not being included, it is still showing a small surplus of £12K year to December.

International Business Development

1. Five cohorts of the “Scottish Experience” programme are planned for 2018/9. A range of short courses are being delivered for HUUC and the Henan Institute of Engineering.
2. Responsibility for International Business Development has been passed to the new Depute Principal, Ken Russell.

Entrepreneurship

1. Preparations to deliver “Scotland’s Enterprising Schools” programmes nationally are underway and due to commence in March 2019. We are delivering 20 places for £19,000 for the first cohort.
2. Carol Langston’s contract will be revised to reflect 20% of her contracted hours as a researcher. She is working on three academic papers.
3. Following the move of the leadership of the development of the Entrepreneurship Academy to Gary Campbell at UHI, a new strategy for CREATE is in development. The strategy is based upon specialisation in Entrepreneurship Education aimed at Educators and Students, neither of which are addressed by the UHI Entrepreneurship Academy proposal, which is aimed at small business and is focussed around the MBA offer.
4. A bid submitted to HIE for a joint Craft related research project with the IDEA institute at Birmingham City University is being restructured to take advantage of potential capital funding.

Commercial Food & Beverage Financial Performance

1. As shown on the monitoring report at Appendix II, income to December was £344K, slightly ahead of the budget of £341K. Revenue overall is lower than the

same time last year and associated costs are lower still at £321K against £389K. The comparative reduction in revenue can be attributed to a number of large, profitable, non-annual events in 2017/8 such as the World Canals Conference, Research Conference, Salmon Festival and World Angus conference.

2. Following the implementation of actions identified in the November paper to F&GP, there has been a small increase in the financial contribution of the commercial Food & Beverage operation. £23K against a budget of £7K.
3. The food cost to sales income ratio has reduced to 46%, which is an improvement on the target of 49%.
4. The recent price increase should result in a cost neutral position at the end of 2018/19, accounting for seasonal income variances. There has been some adverse reaction to the price increase for staff, despite evidence that the cost of all items are below national benchmarks across similar institutions.

5. APPENDIX I: BUSINESS SOLUTIONS TEAM BUDGET MONITORING

FOR THE PERIOD: 5 MONTHS TO 31ST DECEMBER 2018				PREVIOUS YEAR COMP.			
Month - December 2018	Actual £	Phased Budget £	Variance £	Dec '17	Actual £	Phased Budget £	Variance £
Income							
Commercial Course	12,866	29,542	(16,676)		7,261	24,667	(17,406)
Flexible Workforce Develop Fund							
	12,866	29,542	(16,676)		7,261	24,667	(17,406)
Expenditure							
Staff Costs	21,242	17,835	(3,407)		13,465	18,833	(5,368)
Non Staff Costs	15,356	4,047	(11,309)		5,011	3,650	1,361
	36,598	21,882	14,716		18,476	22,483	(4,007)
Net Operational Surplus / (Deficit)	(23,732)	7,659	(31,391)		(11,215)	2,184	(13,399)
5 Months to 31st December 2018	Actual £	Phased Budget £	Variance £	Dec '17	Actual £	Phased Budget £	Variance £
Income							
Commercial Course	158,602	147,708	10,894		99,789	123,333	(23,544)
Flexible Workforce Develop Fund							
	158,602	147,708	10,894		99,789	123,333	(23,544)
Expenditure							
Staff Costs	87,758	96,177	8,419		82,077	94,269	12,192
Non Staff Costs	58,816	20,235	(38,581)		21,550	18,248	3,303
	146,574	116,412	30,162		103,627	112,517	8,890
Net Operational Surplus / (Deficit)	12,028	31,296	(19,268)		(3,838)	10,816	(14,654)
Year End to 31 July 2019	Forecast £	Budget £	Variance £	PREV Y.END ACTUALS TO JULY'18			
Income							
Commercial Course	230,000	224,000	6,000		228,921	296,000	(67,079)
Flexible Workforce Develop Fund	504,000	130,000	374,000		197,225		
	734,000	354,000	380,000		426,146	296,000	(67,079)
Expenditure							
Staff Costs	240,296	210,296	(30,000)		190,491	225,428	34,937
Non Staff Costs	228,400	48,563	(179,837)		103,669	43,793	(59,876)
	468,696	258,859	(209,837)		294,160	269,220	(24,940)
Net Operational Surplus / (Deficit)	265,304	95,141	170,163		131,986	26,780	105,206

Note:

£42K is missing from the FWDF previous year end actual income.

£54K accrued from 2017/8 into 2018/9 to reflect FWDF activity is included in the forecast.

2018/9 FWDF application value of £590 has been reduced to £450 to reflect expected claim to end July. The remainder would accrue into 2019/20 to reflect delivery.

Please note that whilst all expenditure for commercial short courses, employer engagement costs for Modern Apprenticeships and all costs for FWDF are included in this report, only the actual income for commercial short courses is shown currently (except in the forecast where FWDF income is estimated).

APPENDIX II: COMMERCIAL FOOD, BEVERAGE & EVENTS

FOR THE PERIOD: 5 MONTHS TO 31ST DECEMBER 2018				PREVIOUS YEAR COMPARATOR			
Month - December 2018	Actual £	Phased Budget £	Variance £	Dec '17	Actual £	Phased Budget £	Variance £
Income							
Grants							
Other	84,781	72,526	12,255		81,113	67,177	13,936
	84,781	72,526	12,255		81,113	67,177	13,936
Expenditure							
Staff Costs	28,288	30,419	2,131		35,591	30,230	(5,361)
Food and Drink Costs	34,315	36,274	1,959		40,418	34,577	(5,841)
Other Non Staff Costs	4,422	2,689	(1,733)		4,919	690	(4,228)
	67,025	69,383	2,358		80,928	65,497	(15,430)
Net Operational Surplus / (Deficit)	17,756	3,143	14,613		185	1,680	(1,494)
5 Months to 31st December 2018							
	Actual £	Phased Budget £	Variance £	Dec '17	Actual £	Phased Budget £	Variance £
Income							
Grants							
Other	344,872	341,301	3,572		396,148	335,883	60,265
	344,872	341,301	3,572		396,148	335,883	60,265
Expenditure							
Staff Costs	140,284	152,097	11,812		165,766	151,150	(14,616)
Food and Drink Costs	157,941	168,659	10,717		187,876	172,886	(14,989)
Other Non Staff Costs	23,029	13,446	(9,583)		36,085	3,452	(32,633)
	321,254	334,201	12,946		389,727	327,488	(62,238)
Net Operational Surplus / (Deficit)	23,618	7,099	16,519		6,422	8,395	(1,973)
					PREV. Y.END ACTUALS TO JULY '18		
Forecast to 31 July 2019	Forecast £	Budget £	Variance £		Actual £	Phased Budget £	Variance £
Income							
Grants							
Other		796,000	(796,000)		868,668	806,120	62,548
	0	796,000	(796,000)		868,668	806,120	62,548
Expenditure							
Staff Costs		365,032	365,032		407,791	362,761	(45,030)
Food and Drink Costs		391,000	391,000		419,632	414,927	(4,705)
Other Non Staff Costs		32,270	32,270		65,182	8,284	(56,898)
	0	788,302	788,302		892,605	785,972	(106,633)
Net Operational Surplus / (Deficit)	0	7,698	(7,698)		(23,937)	20,148	(44,085)
FOOD COSTS AS A % OF INCOME							
	46%						
Notes							
Includes all Commercial Catering Activity through the financial system to these periods.							
T3200 (Hospitality Teaching) and T3208 (The Sheiling) is not included.							

Board of Management

Subject/Title:	Finance Monitoring Report – January 2019
Author: [Name and Job title]	Fiona Mustarde, Director of Finance Alison Rodgers, Finance Manager
Meeting:	Finance and General Purposes Committee
Meeting Date:	7 March 2019
Date Paper prepared:	27 February 2019
Brief Summary of the paper:	To inform the committee of the financial position for the period to 31 January 2019.
Action requested: [Approval, recommendation, discussion, noting]	Discussion
Link to Strategy: Please highlight how the paper links to, or assists with:: <ul style="list-style-type: none"> • compliance • partnership services • risk management • strategic plan • new opportunity/change 	
Resource implications:	Yes: whether the College has sufficient resources to meet commitments
Risk implications:	Yes If yes, please specify: Operational: cashflow Organisational: surplus/(deficit), ability to meet customer demand and stakeholder requirements
Equality and Diversity implications:	No If yes, please specify:
Consultation: [staff, students, UHI & Partners, External] and provide detail	N/A

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

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

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

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

Financial Monitoring for 2018/19 as at January 2019

Executive summary

The committee is asked to discuss the report.

Background information

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

The financial monitoring for the 6 months to January 2019 are attached. Further detail to support values is contained in the narrative below.

Income and Expenditure Monitoring

- The results of the financial monitoring exercise for the 6 months to January 2019 are summarised in the table below.

Table 1: 2018/19 Income and Expenditure Monitoring – January 2019

YEAR TO DATE	Actual Jan 19 £000	Phased Budget Jan 19 £000	Variance £000
Income	15,428	14,212	1,217
Expenditure	14,779	14,306	(473)
Net Operational Surplus (Deficit)	649	(95)	744
YEAR END	Forecast £000	Budget £000	Variance £000
Income	28,605	27,926	679
Expenditure	30,044	29,311	(733)
Net Operational Surplus (Deficit)	(1,439)	(1,385)	(54)

2. The income budget was previously revised to reflect the additional SFC funding subsequently made available towards the cost resulting from the national bargaining pay agreement. The expenditure budget was previously revised to incorporate the same value leaving the net position, excluding deferred grant and depreciation, as breakeven.
3. The year to date position, for the 6 months to January 2019, shows the net operational position is £764,000 above the budget level. Income, at £1,217,000 above the budget level and expenditure at £453,000 above budget level, contribute to the variation at the end of the period and more detailed information is provided within this report.
4. The forecast year-end position and shows a forecast net deficit of £1,439,000 compared with the budget level of £1,385,000, a negative variance of £54,000. Note that these figures include the budget amounts for both depreciation and deferred grant. Key points impacting this figure are identified below.
5. The monitoring results are shown in the appendices. The list of pages is shown below:
 - Page 1 – Income & Expenditure Report – month, year to date (YTD) and year end.
 - Page 2 – Income & Expenditure Report – showing actual & forecast for the year.
 - Page 3 – Cash Flow Analysis - month, year to date (YTD) and year end.
 - Page 4 – Monthly & cumulative cash position, in graphical form.
 - Page 5 – Cash flow Forecast – showing actual & forecast for year.
 - Page 6 – Creditors Report – showing percentage of creditors paid within 30 days in graphical form.
 - Page 7 – Summary Income & Expenditure and cash flow information from January 2018 for comparison purposes, which show budget, forecast and variance.

Income

6. The grant income related to student activity on the FE side was budgeted at £8,997,862 for 2018/19 (including national bargaining funding) and our core credit target is 28,915 credits. In addition to this we have an ESF target of 296 credits giving a total target of 29,211 credits.

The following table illustrates the current credit position for 2018/19.

FE	2018-19
Core Credit Target	28,915
ESF Target	296
Total Target	29,211
Total Credits as at 22/02/2019	28,069
<i>Total Credits as at 19/02/2018</i>	<i>28,022</i>

Currently, the total enrolments for 2018-19 at FE level is 3,963 heads generating 28,069 credits, slightly above the running credit total for this time last year. Further FE enrolments will take place throughout the year, including Modern Apprentices and commercial courses. Additional activity is being explored, which is aligned to developments with school-link activity and in the sports curriculum.

The current forecast for FE activity is that the college will meet its credit target, although it remains challenging to do so. Activity is being monitored closely.

The challenge to meet credit target is replicated across the region, with most partners forecasting meeting target with not much to spare. However, two partners are forecasting a shortfall at year-end, which may result in the UHI being unable to claim all ESIF credits available.

The teaching grant income for HE was budgeted at £4,594,626 for 2018/19. The HE (PPF) target for 2018/19 for undergraduate students with a fee status of 'Scottish' or 'European' is 1,618 FTE. As at 22 February 2019 the FTE, counting by module attachment is 1,599.6 FTE.

PPF Target HE FTE (Undergraduate students, including SC and EU fee statuses, excluding PGDE)	1,618
Current HE students as at 22/02/2019 - count by module attachment	1,599.6

The 'count by Module attachment' FTE estimate is used by EO Student Records Office to provide a running total of FTE throughout the year: FTEs always accrue as the year goes on. Based on the number of HE enrolments currently on the system, and previous years' FTE final outturns, it looks likely that HE activity will be down on target by the end of the year, by between 10 and 18 FTE.

The financial impact of a shortfall is difficult to calculate due to the microRAM calculations, however it may amount to £3,000 per FTE.

The Funding Council Grants income budget includes other SFC FE grants and UHI funding. The forecast reduction relates to movement in grant funding between estimates at the time of budget setting and delays in activity related to additional grant funding.

7. The budget for the year for SFC unitary charge funding is £4,732,000 and at January 2019, expenditure is showing a nil variance.
8. The income budget allocated to the College for student support funds is less than that anticipated at budget setting. The College requested an additional £350,000 of student support funding through the in-year redistribution exercise and this has been confirmed. There are concerns as to whether the additional funds will be sufficient to meet all the costs of student support and further review of forecasting is taking place.
9. The budget for the year for tuition fees is £3,296,000 and as at January 2019, there is a positive variance of £1,038,000 against the budget to date. This is because the majority of HE tuition fees have already been invoiced. We have taken an alternative

approach to reporting this, but plan to rephrase the budget going forward. The forecast position for July 2019 is £3,206,000, leading to a negative variance of £90,000.

10. SDS Training Contracts income consists of modern apprenticeship funding and foundation apprenticeship funding. Current income at January 2019 is £277,000 against a budget of £313,000, leading to a negative variance of £36,000. Most of these funds are released on the basis of claims submitted to SDS who operate an April to March financial year. Claims are submitted using a cloud based software system provided by SDS. We have now split out the FWDF income from the SDS budget line.
11. Other income for the 6 months to January 2019 is £1,121,000, which is in line with the budget to that date. We will be undertaking further review of this budget line, particularly in relation to the yearend forecast.

Expenditure

12. Actual expenditure on staffing costs for the 6 months to January 2019 is below the phased budget by £81,000. Other staff costs are over budget by £16,000. Overall there is a positive variance of £65,000 on total staffing costs. Pay costs remain under scrutiny and all vacancies are fully considered by the Resource Panel prior to recruitment. Variable teaching staff commitment is controlled through the Head of Curriculum. The support staff pay award has been agreed and payment was made in the November payroll. Provision was made within the budget for a 2% uplift. The final agreement is 2% or more depending on pay levels. The year to date underspend is as a result of vacancies within the establishment, however most of these have recently been filled, thus the forecast assumes breakeven for the remaining months. The forecast position also makes an allowance for other categories of staff who have not yet received an inflationary uplift.
13. Property costs for the 6 months to January 2019 amount to £561,000 against a budget of £539,000, a deficit of £22,000. Costs associated with the Longman campus to January 2019 are £101,498.
14. The unitary charge position shows a positive variance of £3,000 against budget year to date. This does not reflect the actual cash deductions withheld from the monthly unitary charge payment made to date. Negotiations are continuing with GTEIL to provide a clear way forward for both organisations in relation to the pay mechanism.
15. Transport costs for the 6 months to 31 January 2019 are £46,000, a £15,000 overspend. This will be kept under review over the coming months, however the year end position does reflect the anticipated cost of hire vehicles to accommodate contracting activity.
16. Supplies and services has a negative variance of £305,000 for the 6 months to January 2019. There are a number of movements within this but the most significant is the increase in the LIS recharge from UHI EO. There are also increased costs relating to FWDF provision, which will be offset by the income received.

Cash Flow

17. The opening cash balance for the year was £4,083,825. The position as at 31 January 2019 is an actual cash balance of £3,056,190 compared with a budgeted position of £2,957,605 giving a positive variance of £98,585.
18. The forecast cash balance at 31 July 2019 is a £3,284,853. This compares favourably with the budgeted position of £3,049,568.

Creditor Payments

19. We have revised our approach to reporting of creditor payments. The previous analysis of creditor payments was undertaken by sampling creditor payment runs. The new approach, which we will continue to refine over the coming months, uses all creditor payment data to derive the percentage of invoices paid within 30 days. For the month of January 2019, 70% of creditor invoices were paid within 30 days. A chart setting out the monthly results over the past 5 months is appended.

Debtors Summary

20. Analysis of debtor's information shows that for January 2019, the total invoiced debt for the College is £749,165. This breaks down as £425,218 business debt and £323,947 of student debt. Debt recovery remains an ongoing challenge for the Finance team but the revised team structure places more focus on debt control. As recruitment to the new structure was not finalised until February 2019, and systems training took place at the end of February, it has not been possible to review debt management within the systems. This is the next priority for the team to address.

Comparable Monitoring Information from January 2018

There are 2 sets of figures included for comparison purposes. The first table is the income and expenditure figures from January 2018, which shows the forecast, budget and the variance. The second table shows the cash flow figures from January 2018, which again shows the forecast, budget and variance figures.

Inverness College

Income and Expenditure Report

Year 2018/19

Month January

		YTD			Year End		
	Report Para.	<u>Actual</u>	<u>Budget</u>	<u>Variance</u>	<u>Forecast</u>	<u>Budget</u>	<u>Variance</u>
		<u>£000s</u>	<u>£000s</u>	<u>£000s</u>	<u>£000s</u>	<u>£000s</u>	<u>£000s</u>
Income							
Funding Council Grants	6	7,623	7,128	496	14,169	14,256	(86)
Unitary Charge	7	2,390	2,393	(3)	4,732	4,732	0
Student Support Funds	8	1,117	1,135	(18)	2,512	2,270	242
Tuition Fees	9	2,686	1,648	1,038	3,206	3,296	(90)
SDS Training Contracts	10	277	313	(36)	729	625	103
FWDF		54	315	(261)	500	130	370
Other Income	11	1,121	1,120	1	2,436	2,297	140
Deferred Grant		161	161	0	321	321	0
		15,428	14,212	1,217	28,605	27,926	679
Expenditure							
Staff	12	7,386	7,467	81	15,501	15,582	82
Other Staff	12	106	90	(16)	249	180	(69)
Property	13	561	539	(22)	1,170	1,126	(45)
Unitary Charge	14	2,096	2,099	3	4,188	4,197	10
Transport	15	46	31	(15)	106	62	(44)
Supplies and Services	16	2,398	2,093	(305)	4,613	4,189	(425)
Student Support Funds		1,334	1,135	(199)	2,512	2,270	(242)
Depreciation		853	853	0	1,706	1,706	0
		14,779	14,306	(473)	30,044	29,311	(733)
Net Operational Surplus (Deficit)		649	(95)	744	(1,439)	(1,385)	(54)

Inverness College

Income and Expenditure Report

Year 2018/19

Month January

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	Report Para.	<u>YTD Actual</u>	<u>Feb 18</u>	<u>Mar 18</u>	<u>Apr 18</u>	<u>May 18</u>	<u>Jun 18</u>	<u>Jul 18</u>	<u>Year End Forecast</u>	<u>Budget</u>	<u>Variance</u>	<u>Previous Quarter Variance</u>	<u>Movement</u>
		£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s		
Income													
Funding Council Grants	6	7,623	1,140	1,140	1,100	1,100	926	1,140	14,169	14,256	(86)	(98)	12
Unitary Charge	7	2,390	390	390	390	390	391	391	4,732	4,732	0	(53)	53
Student Support Funds		1,117	76	477	229	331	241	41	2,512	2,270	242	(89)	331
Tuition Fees	8	2,686	100	100	100	100	80	40	3,206	3,296	(90)	(14)	(76)
SDS Training Contracts	9	277	69	90	69	86	69	69	729	625	103	0	103
FWDF		54	74	74	74	74	74	74	500	130	370	0	370
Other Income	10	1,121	215	200	236	224	150	290	2,436	2,297	140	62	78
Deferred Grant	11	161	27	27	27	27	27	26	322	321	1	0	1
		15,428	2,091	2,498	2,225	2,332	1,958	2,071	28,605	27,926	679	(192)	871
Expenditure													
Staff	12	7,386	1,307	1,282	1,330	1,456	1,385	1,355	15,501	15,582	82	254	(172)
Other Staff	12	106	20	25	19	19	30	30	249	180	(69)	(28)	(41)
Property		561	100	120	79	65	115	130	1,170	1,126	(45)	(52)	7
Unitary Charge	13	2,096	348	348	348	348	350	350	4,188	4,197	10	47	(37)
Transport		46	12	8	12	11	12	5	106	62	(44)	(17)	(27)
Supplies and Services	13	2,378	380	250	373	407	425	400	4,613	4,189	(425)	(215)	(210)
Student Support Funds		1,334	262	226	210	200	259	21	2,512	2,270	(242)	(214)	(28)
Depreciation		853	142	142	142	142	142	143	1,706	1,706	0	0	0
		14,759	2,571	2,401	2,513	2,648	2,718	2,434	30,044	29,311	(733)	(225)	(508)
Net Operational Surplus (Deficit)		669	(480)	97	(288)	(316)	(760)	(363)	(1,439)	(1,385)	(54)	(417)	363

Inverness College

Cash Flow Analysis

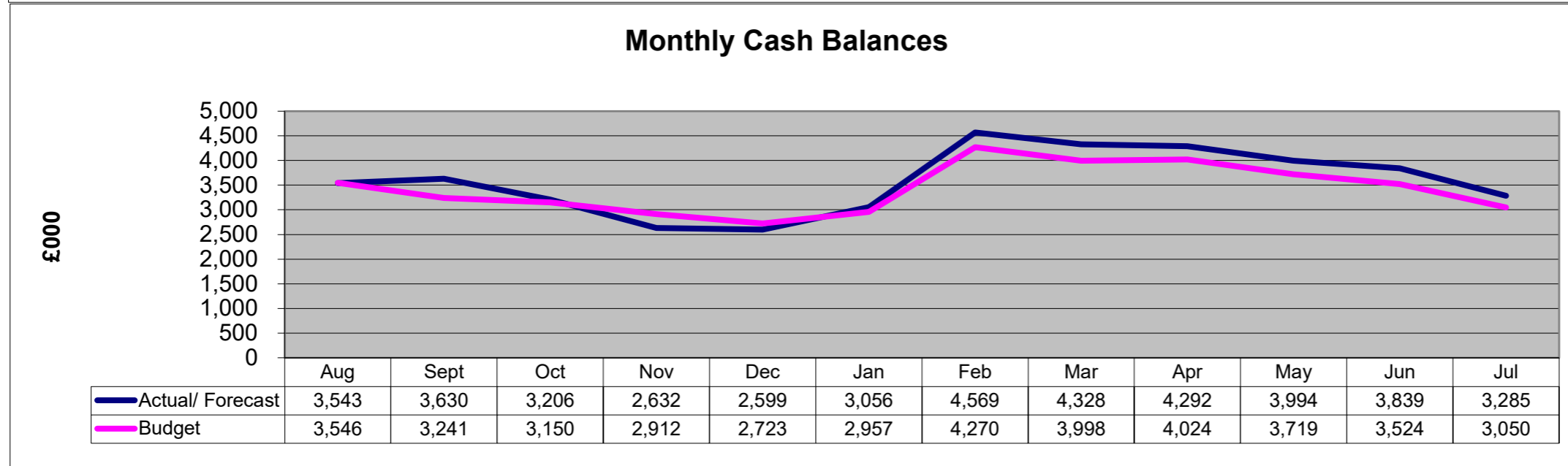
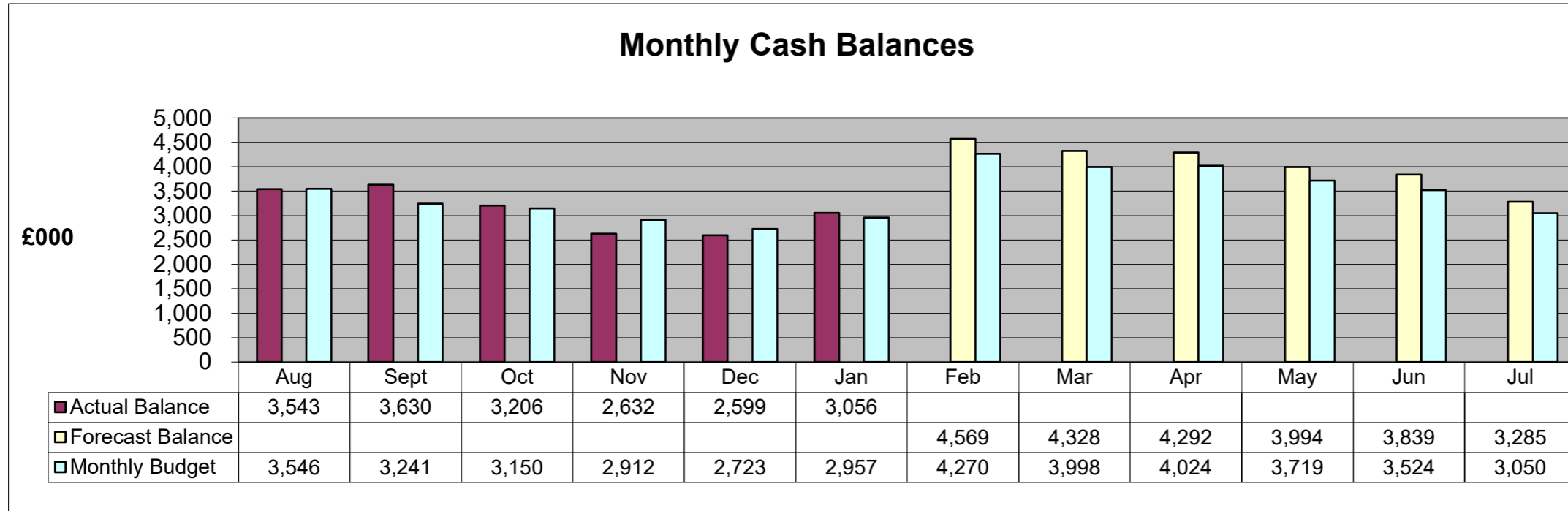
Year 2018/19

Month January

	YTD			Year End		
	Actual	Budget	Variance	Forecast	Budget	Variance
Income						
SFC Funding	7,260,389	7,230,721	29,668	14,902,742	13,782,986	1,119,756
UHI HE Funding	2,433,350	2,521,080	(87,730)	5,111,792	5,083,659	28,133
Student Support Funds	978,363	978,363	-	2,180,954	2,180,954	-
Other Revenue Income	2,671,044	2,022,513	648,531	7,117,044	6,618,513	498,531
Other Capital Income	-	-	-	200,379	-	200,379
Foundation Revenue Income	48,160	92,000	(43,840)	276,160	92,000	184,160
Foundation Capital Income	-	-	-	-	-	-
EMA Funding	58,470	50,000	8,470	108,470	100,000	8,470
	<u>13,449,776</u>	<u>12,894,677</u>	<u>555,099</u>	<u>29,897,541</u>	<u>27,858,112</u>	<u>2,039,429</u>
Expenditure						
Salaries Total	7,395,998	7,420,144	(24,146)	15,493,686	15,525,144	(31,458)
Other operating expenditure	2,976,282	2,715,553	260,729	6,355,661	5,797,932	557,729
NPD unitary charges	2,480,614	2,573,740	(93,126)	5,007,716	5,100,842	(93,126)
EMA Student Maintenance	42,810	50,000	(7,190)	92,810	100,000	(7,190)
Student Support	1,240,009	1,201,384	38,625	2,396,411	2,307,786	88,625
SFC Capital - Demolition	37,323	-	37,323	996,582	-	996,582
SFC Capital - Land	-	-	-	-	-	-
SFC Capital - buildings	60,665	60,665	-	60,665	60,665	-
SFC Capital - fixtures and fittings	-	-	-	-	-	-
SFC Capital - ICT	14,668	-	14,668	63,940	-	63,940
Other capital expenditure	229,042	-	229,042	229,042	-	229,042
Surrender of proceeds	-	-	-	-	-	-
	<u>14,477,411</u>	<u>14,021,486</u>	<u>455,925</u>	<u>30,696,513</u>	<u>28,892,369</u>	<u>1,804,144</u>
Net Income (Expenditure)	<u>(1,027,635)</u>	<u>(1,126,809)</u>	<u>99,174</u>	<u>(798,972)</u>	<u>(1,034,257)</u>	<u>235,285</u>
Opening Bank Balance	4,083,825	4,083,825	-	4,083,825	4,083,825	-
Closing Bank Balance	<u>3,056,190</u>	<u>2,957,016</u>	<u>99,174</u>	<u>3,284,853</u>	<u>3,049,568</u>	<u>235,285</u>

Cashflow

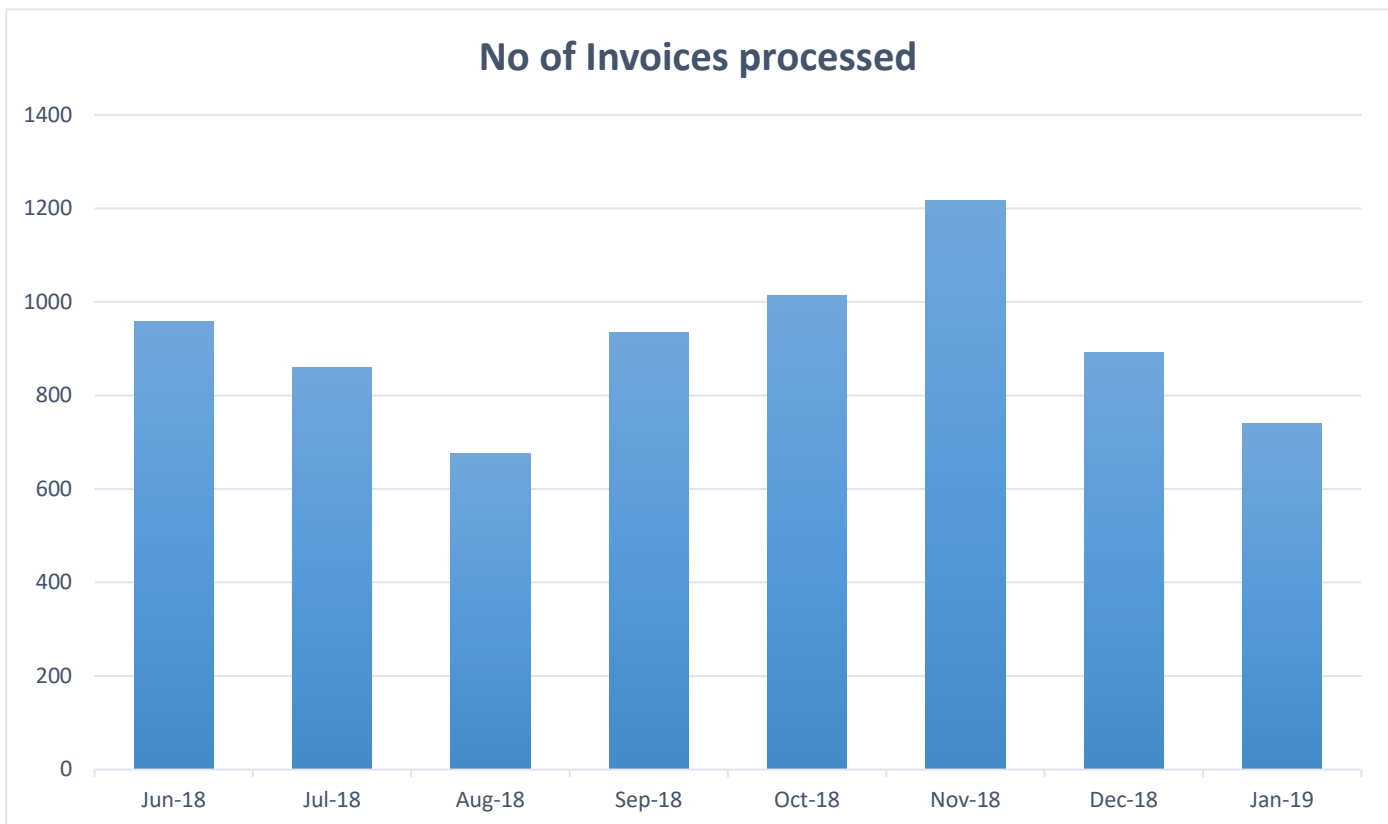
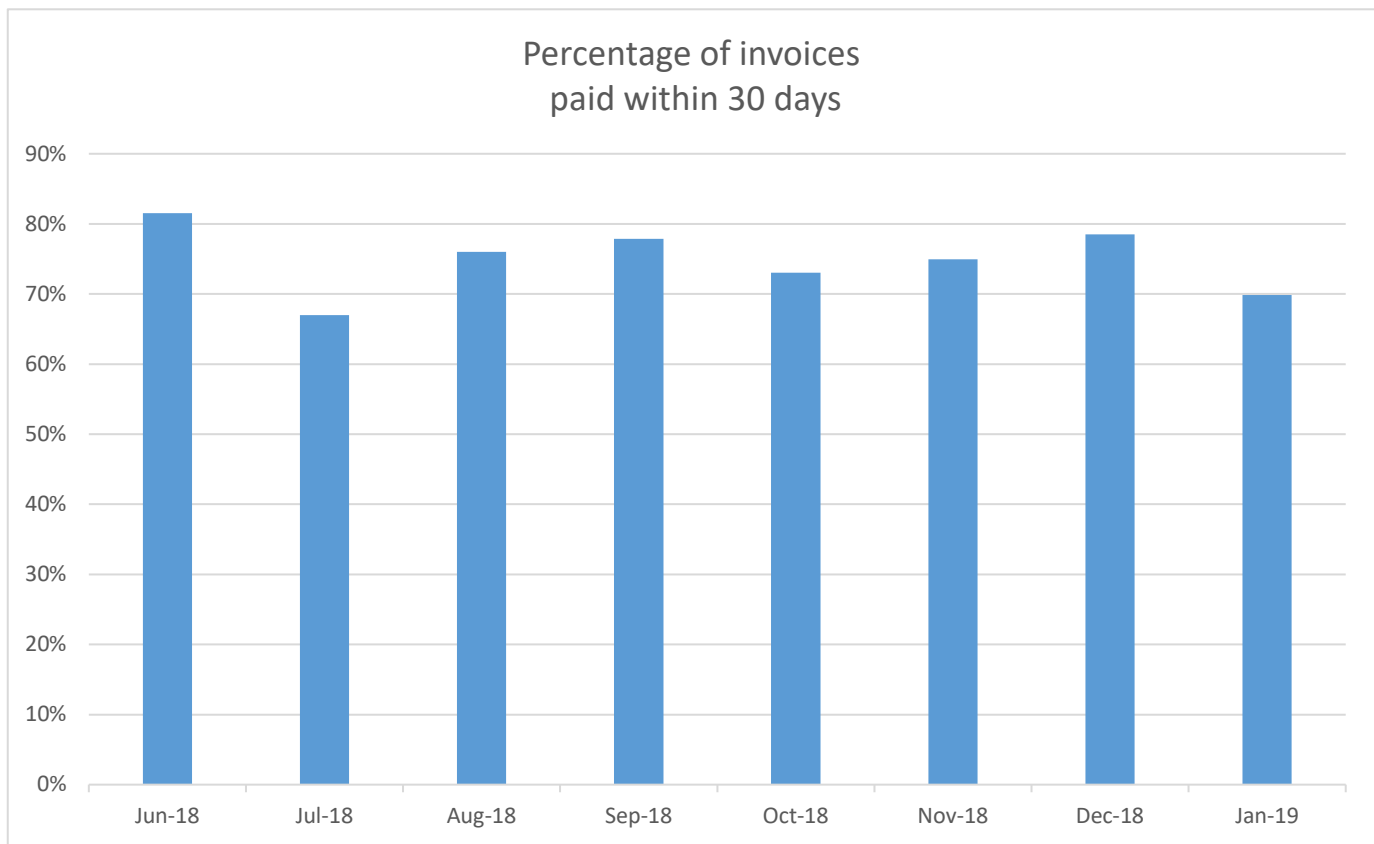
Year 2018/19
 Month October



INVERNESS COLLEGE

FORECAST CASH FLOW - 12 MONTHS - AUGUST 2018 TO JULY 2019

	Actual	Actual	Actual	Actual	Actual	Actual	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast			
	AUGUST	SEPT	OCT	NOV.	DEC	JAN	FEB	MARCH	APRIL	MAY	JUNE	JULY	TOTAL	Budget	Variance
<u>OPENING BALANCE</u>	4,083,825	3,542,930	3,629,793	3,206,201	2,631,927	2,598,860	3,056,190	4,568,512	4,328,344	4,292,117	3,993,756	3,839,016	4,083,825	4,083,825	0
<u>INCOME</u>															
SFC Funding	811,221	1,035,100	1,179,767	1,279,767	1,474,767	1,479,767	809,274	1,244,757	1,465,072	1,452,590	1,339,916	1,330,744	14,902,742	13,782,986	1,119,756
UHI HE Funding	354,523	354,523	524,309	405,339	405,214	389,442	529,116	413,514	606,347	514,818	504,818	109,829	5,111,792	5,083,659	28,133
Student Support Funds	100,000	158,000	183,000	200,000	150,000	187,363	200,000	200,000	250,000	250,000	250,000	52,591	2,180,954	2,180,954	-
Other Revenue Income	436,170	667,565	345,720	234,082	380,676	606,831	2,350,000	530,000	410,000	329,000	387,000	440,000	7,117,044	6,618,513	498,531
Other Capital Income	-	-	-	-	-	-	150,379	-	-	-	50,000	-	200,379	-	200,379
Foundation Revenue Income	-	48,160	-	-	-	-	42,000	41,000	100,000	45,000	-	-	276,160	92,000	184,160
Foundation Capital Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EMA Funding	12,960	90	4,470	14,250	11,790	14,910	10,000	10,000	10,000	10,000	10,000	-	108,470	100,000	8,470
<u>TOTAL INCOME</u>	1,714,874	2,263,438	2,237,266	2,133,438	2,422,447	2,678,313	4,090,769	2,439,271	2,841,419	2,601,408	2,541,734	1,933,164	29,897,541	27,858,112	2,039,429
<u>EXPENDITURE</u>															
Salaries Total	1,208,567	1,152,100	1,181,627	1,271,392	1,322,569	1,259,743	1,260,000	1,260,000	1,405,000	1,412,688	1,380,000	1,380,000	15,493,686	15,525,144	31,458
Other operating expenditure	471,632	372,623	749,463	610,402	463,910	308,252	505,945	582,950	621,804	553,590	523,290	591,800	6,355,661	5,797,932	557,729
NPD unitary charges	450,600	411,540	408,330	408,054	406,892	395,198	420,381	420,381	420,381	420,381	422,789	422,789	5,007,716	5,100,842	93,126
EMA Student Maintenance	-	4,470	14,250	11,790	6,990	5,310	10,000	10,000	10,000	10,000	10,000	-	92,810	100,000	7,190
Student Support	10,812	235,842	264,079	260,126	253,993	215,157	259,209	250,658	228,223	223,355	194,957	-	2,396,411	2,307,786	88,625
SFC Capital - Demolition	-	-	-	-	-	37,323	87,912	141,178	192,238	279,755	165,438	92,738	996,582	-	996,582
SFC Capital - Land	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SFC Capital - buildings	60,665	-	-	-	-	-	-	-	-	-	-	-	60,665	60,665	-
SFC Capital - fixtures and fittings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SFC Capital - ICT	14,668	-	-	-	-	-	35,000	14,272	-	-	-	-	63,940	-	63,940
Other capital expenditure	38,825	-	43,109	145,948	1,160	-	-	-	-	-	-	-	229,042	-	229,042
Surrender of proceeds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Bank Interest Payable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<u>TOTAL EXPENDITURE</u>	2,255,769	2,176,575	2,660,858	2,707,712	2,455,514	2,220,983	2,578,447	2,679,439	2,877,646	2,899,769	2,696,474	2,487,327	30,696,513	28,892,369	(1,804,144)
Actual Monthly Movement	(540,895)	86,863	(423,592)	(574,274)	(33,067)	457,330	1,512,322	(240,168)	(36,227)	(298,361)	(154,740)	(554,163)	(798,972)	(1,034,257)	235,285
<i>Budget Monthly Movement</i>															
<u>CLOSING BALANCE</u>	3,542,930	3,629,793	3,206,201	2,631,927	2,598,860	3,056,190	4,568,512	4,328,344	4,292,117	3,993,756	3,839,016	3,284,853	3,284,853	3,049,568	3,843,574
<i>Cumulative Budget position</i>															



Year 2017/18
 Month January 18

Income and Expenditure Report

	Year End		
	Forecast	Budget	Variance
Income			
Grants	12,838	12,838	0
Unitary Charge	4,699	4,699	0
Student Support Funds	2,260	2,209	51
Fees	3,159	3,134	25
SDS Training Contracts	662	638	24
Other Income	2,088	2,171	(83)
Deferred Grant	753	753	0
	<u>26,459</u>	<u>26,442</u>	<u>17</u>
Expenditure			
Staff	14,291	14,246	(45)
Other Staff	201	196	(5)
Property	1,129	1,126	(3)
Unitary Charge	3,888	4,184	296
Transport	99	83	(16)
Supplies and Services	3,882	3,644	(238)
Student Support Funds	2,258	2,209	(49)
Depreciation	1,836	1,836	0
	<u>27,584</u>	<u>27,524</u>	<u>(60)</u>
Net Operational Surplus (Deficit)	<u>(1,125)</u>	<u>(1,082)</u>	<u>(43)</u>

Cash Flow Analysis

	Year End		
	Forecast	Budget	Variance
Income			
Recurrent Grant In Aid	7,998	7,821	177
Other Grants	282	250	32
Unitary Charge Grant	4,706	4,693	13
UHI HE Grants	4,477	4,476	1
Fees & Charges	2,866	3,264	(398)
Student Support Funds	2,334	2,384	(50)
HE Discretionary Fund	71	70	1
EMA Funding	76	97	(21)
LEC Contracts	465	411	54
ESF Funds	-	63	(63)
Other Income	3,035	2,957	78
	<u>26,310</u>	<u>26,486</u>	<u>(176)</u>
Expenditure			
Staff	14,222	14,241	19
Pension Costs	96	96	0
Creditors	4,888	4,692	(196)
Unitary Charge payments	4,801	5,014	213
Student Support Funds	2,129	2,376	247
HE Discretionary Fund	49	70	21
EMA Student Maintenance	103	107	4
Inter Account Transfers	-	-	0
Other	1,253	1,118	(135)
	<u>27,541</u>	<u>27,714</u>	<u>173</u>
Net Income (Expenditure)	- 1,231	- 1,228	(3)
Opening Bank Balance	<u>3,698</u>	<u>3,695</u>	<u>3</u>
Closing Bank Balance	<u>2467</u>	<u>2467</u>	<u>0</u>

Board of Management

Subject/Title:	Capital Budget Monitoring Year to 31 March 2019
Author: [Name and Job title]	Fiona Mustarde, Director of Finance
Meeting:	Finance and General Purposes Committee
Meeting Date:	7 March 2019
Date Paper prepared:	26 February 2019
Brief Summary of the paper:	To update the committee on progress against the 2018/19 capital plan. The capital year runs from April to March.
Action requested: [Approval, recommendation, discussion, noting]	Discussion
Link to Strategy: Please highlight how the paper links to, or assists with:: <ul style="list-style-type: none"> • compliance • partnership services • risk management • strategic plan • new opportunity/change 	Compliance – adherence to the Financial Memorandum with UHI as RSB, Strategic plan – investment in buildings and equipment
Resource implications:	Yes Expenditure must be contained within the allocated capital budget from SFC/UHI. UHI capital can only be utilised on buildings.
Risk implications:	Yes If yes, please specify: Operational: spend level to be contained within budget, lack of investment has operational impacts Organisational: over/underspend could impact on future budget allocations
Equality and Diversity implications:	No If yes, please specify:
Consultation: [staff, students, UHI & Partners, External] and provide detail	N/A

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

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 Expenditure Monitoring 2018/19 to January 2019

Executive summary

The committee is requested to discuss the capital expenditure monitoring for 2018/19.

Capital Grant Allocations 2018/19

The capital grant allocations for 2018/19 are shown in the table below.

Grant Funding	2017/18 Allocation
	£
FE Capital and Maintenance Grant	63,940
FE Backlog Maintenance (Balloch)	60,665
HE Capital Grant	200,379
Total Capital Grant	324,984

Expenditure	
ICT Equipment	63,940
Buildings	261,044
Total Planned Expenditure	324,984

The FE capital and maintenance grant funding total allocation to Inverness College UHI was £133,940 for 2018/19, a reduction on 2017/18 of £142,906. We allocated this as £70,000 for revenue maintenance and £63,940 for capital expenditure. The FE grant can be used for any items of capital expenditure. In addition, SFC allocated a further amount of £60,665 for backlog maintenance in relation to the estate at Balloch.

The HE capital allocation of £200,379 includes £12,968 of SFC/BIS capital funding which relates to research areas. The HE capital allocation can only be utilised for buildings infrastructure and is not available for spend on ICT or equipment with the exception of the BIS funding which we are now aware can be used for research related equipment.

The capital funding year runs from April to March and this applies to both FE and HE funding.

Position as at 31 January 2019

The table below shows the position as at 31 January 2019.

	2018/19 Allocation	Jan 2019 Position	Uncommitted
	£	£	£
ICT Equipment	63,940	21,966	-
Buildings	261,044	240,956	15,117
	324,984	262,922	15,117

The budget for ICT equipment has been fully allocated by the ICT Manager against equipment refresh requirements and will be spent in full by 31 March 2019.

The budget for buildings is £261,044 and relates to all building capital expenditure including any necessary adjustments to the new campus buildings. The project budget for the tractor shed refurbishment is £245,927, including VAT and contingency. This leaves a total of £15,117 uncommitted against the buildings capital. No decisions on further works will be made until the tractor shed project is completed and final costs known.

Given our experience in relation to reporting of BIS capital expenditure for 2017/18, it may be prudent to reallocate this budget to ICT or other equipment rather than buildings where it can more readily be identified as specific to research.

Longman Demolition Project

The demolition of the former Longman campus commenced mid-January 2019 following confirmation offer of funding to UHI on Friday 20 December 2018. The total project cost is circa £1.36m including project management fees which are being met directly by SFC.

UHI are drafting a letter of grant funding to the College but you will see that this project has been reflected in the cashflow forecast. Transfer of funds is taking place through the normal monthly cashflow return as the mechanism for drawdown.

This project is being monitored through the monthly Longman Disposal Project Board but future capital reporting to F&GP will incorporate financial details. The first contractor payment has been made in February 2019.

Board of Management

Subject/Title:	E-Invoicing
Author: [Name and Job title]	Fiona Mustarde, Director of Finance
Meeting:	Finance & General Purposes
Meeting Date:	7 March 2019
Date Paper prepared:	26 February 2019
Brief Summary of the paper:	To inform the Committee of the current plan for the introduction of e-Invoicing at the College.
Action requested: [Approval, recommendation, discussion, noting]	Discussion
Link to Strategy: Please highlight how the paper links to, or assists with: <ul style="list-style-type: none"> • compliance • partnership services • risk management • strategic plan • new opportunity/change 	Risk management – reduces the risk of errors Compliance – EU Directive
Resource implications:	Yes If yes, please specify: Training on new process
Risk implications:	Yes If yes, please specify: Operational: change in processes Organisational: change in culture, compliance with regulations
Equality and Diversity implications:	No If yes, please specify:
Consultation: [staff, students, UHI & Partners, External] and provide detail	N/A

Status – [Confidential/Non confidential]	Non-confidential		
Freedom of Information Can this paper be included in “open” business* [Yes/No]	Yes		
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Its disclosure would substantially prejudice the commercial interests of any person or organisation (S33)		Its disclosure would constitute a breach of confidence actionable in court (S36)	
Its disclosure would constitute a breach of the Data Protection Act (S38)		Other (please give further details)	
For how long must the paper be withheld? (express either as the time which needs to pass or a condition which needs to be met.)			

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E-Invoicing

Executive summary

The ability to deal with e-invoicing is a requirement under EU regulations. This had an initial date of November 2018 however the Scottish Education sector has an extension to April 2020 to allow time for systems to be implemented. Due to the delays with the implementation of Technology One, the College is signing up to the Scottish Government solution.

Background

The European Commission has included specific provisions for e-Invoicing within the revised EU Public Procurement Directives, which requires the College to provide an e-Invoicing facility for suppliers. An extension to April 2020 has been negotiated on behalf of institutions to comply.

The Scottish Government recognise that there is compelling evidence that e-Invoicing saves money for both public bodies and suppliers. It is generally the last part of the Purchase to Pay (P2P) cycle that has not been automated. The processing or dealing with invoices is a manual, labour intensive process. Each paper invoice requires time-intensive, error-prone, manual processing for both buyers and suppliers. This can lead to frustration on both sides and delays in making payment.

Inverness College UHI Solution

Provision was made within the new finance system to provide an e-Invoicing module to meet the timelines, however given the delays with this system the College has opted to sign up to the Scottish Government solution, in line with advice from APUC.

The Scottish Government is providing a national e-Invoicing solution through PECOS P2P which is a core component of its national eCommerce Shared Service. Any Scottish public sector organisation can implement the solution regardless of the P2P or finance system in use. The solution accepts PDF invoices (and other formats) that have been automatically generated and issued by a supplier and transforms these into a cXML file. This file is then automatically presented to the invoice matching environment for onward processing and payment utilising already configured auto-match and invoice management workflow. There may be a one-off charge relating to configuration of the interface with our finance system.

Moving to e-Invoicing where possible will require process change and will be incorporated into our standard training available to staff on finance and procurement.

The deadline of April 2020 requires us to have this operational for three of our top suppliers, as measured in terms of invoice volumes. It is worth noting that whilst we are obligated to provide this service, suppliers are under no obligation to use e-Invoicing.

Board of Management

Subject/Title:	Committee Self Evaluation – Outstanding Questions
Author: [Name and Job title]	Fiona Ambrose, Board Secretary
Meeting:	Finance and General Purposes Committee
Meeting Date:	7 March 2019
Date Paper prepared:	14 February 2019
Brief Summary of the paper:	<p>The Finance and General Purposes Committee carried out a committee evaluation last year. There were a number of questions where a conclusive response was not reached by the members of the committee and the actions identified were to review these questions further</p> <ol style="list-style-type: none"> 1. Is the finance committee aware of the responsibilities of the governing body in relation to VFM and how it impacts upon the decisions made by the F&GP committee? 2. Is the committee aware of the audit committee's views on the institution's arrangements for securing VFM? <p>Action – consider annual VFM report in December and review answer thereafter</p> <ol style="list-style-type: none"> 3. Has the committee evaluated whether and how it is adding value to the organisation <p>Action – review this answer once actions from the evaluation exercise have been agreed</p>
Action requested: [Approval, recommendation, discussion, noting]	The Committee is asked to consider the questions again in light of a) the information included in the VFM report considered by the Committee in December 2018 and b) based on the combined evaluation results and actions identified.
Link to Strategy: Please highlight how the paper links to, or assists with::	
<ul style="list-style-type: none"> • compliance • partnership services • risk management • strategic plan • new opportunity/change 	

Resource implications:	Yes / No If yes, please specify:		
Risk implications:	Yes / No If yes, please specify: Operational: Organisational:		
Equality and Diversity implications:	Yes/No If yes, please specify:		
Consultation: [staff, students, UHI & Partners, External] and provide detail			
Status – [Confidential/Non confidential]	Non Confidential		
Freedom of Information Can this paper be included in “open” business* [Yes/No]	Yes		
*If a paper should not be included within “open” business, please highlight below the reason.			
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Its disclosure would constitute a breach of the Data Protection Act (S38)		Other (please give further details)	
For how long must the paper be withheld? (express either as the time which needs to pass or a condition which needs to be met.)			

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Board of Management

Subject/Title:	Debt Write Off Report
Author: [Name and Job title]	Fiona Mustarde, Director of Finance
Meeting:	Finance and General Purposes Committee
Meeting Date:	7 March 2019
Date Paper prepared:	27 February 2019
Brief Summary of the paper:	To provide the committee with details of the proposed debts to be written off under the delegated authority of the Principal.
Action requested: [Approval, recommendation, discussion, noting]	Noting
Link to Strategy: Please highlight how the paper links to, or assists with:: <ul style="list-style-type: none"> • compliance • partnership services • risk management • strategic plan • new opportunity/change 	Compliance – adherence to the Financial Memorandum with UHI as RSB, Risk – ensuring that the College recovers all monies due
Resource implications:	Yes Cash
Risk implications:	Yes If yes, please specify: Operational: impact on cash position Organisational:
Equality and Diversity implications:	No If yes, please specify:
Consultation: [staff, students, UHI & Partners, External] and provide detail	N/A

Status – [Confidential/Non confidential]	Non confidential		
Freedom of Information Can this paper be included in “open” business* [Yes/No]	Yes		
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Its disclosure would 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

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

Debt Write Off as at February 2019

Executive summary

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

Debts to be written off

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

The debtors are listed in appendix 1 of this report, amounting to £3,183.95 and they relate to reclaim of overpaid bursary, nursery fees, library charges and sale of scrap, which are now uncollectible.

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

The debtors for this and future reports have been fully provided for from the bad debt provision included in the 2017/18 accounts.

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

DEBT WRITE OFFS FEBRUARY 2019

INVOICE DATE	AGE OF DEBT - DAYS	BALANCE £	TYPE OF DEBT	COLLEGE STATUS
22/01/2018	398	20.00	BOOKS	NOT FINANCIALLY VIABLE TO SEND TO DEBT COLLECTOR
20/11/2017	461	73.68	BURSARY	NOT FINANCIALLY VIABLE TO SEND TO DEBT COLLECTOR
05/02/2018	384	77.01	BURSARY	NOT FINANCIALLY VIABLE TO SEND TO DEBT COLLECTOR
12/06/2017	622	405.26	BURSARY	BANKRUPTCY
10/11/2017	471	2,304.00	OTHER	UNDER ADMINISTRATION - CLAIM SUBMITTED
08/11/2016	838	190.00	NURSERY	EXTERNAL DEBT COLLECTORS
09/12/2016	807	114.00	NURSERY	EXTERNAL DEBT COLLECTORS
	Total	3,183.95		

BREAKDOWN OF DEBT WRITE OFF	TOTAL VALUE	% OF DEBT
TUITION FEES	£0.00	0.00%
BURSARY	£555.95	17.46%
BOOKS	£20.00	0.63%
NURSERY	£304.00	9.55%
EQUIPMENT	£0.00	0.00%
OTHER / EVENTS	£2,304.00	72.36%
TOTAL	£3,183.95	100%

Board of Management

Subject/Title:	ICT Services Report
Author: [Name and Job title]	Martin Robinson – ICT Services Manager
Meeting:	Finance and General Purposes Committee
Meeting Date:	7 March 2019
Date Paper prepared:	28 February 2019
Brief Summary of the paper:	To provide an overview of active ICT including: * Cyber Resilience * VLE Review * UHI Wi-Fi * Helpdesk Software Replacement * New VC Solution * Digital Learning Strategy
Action requested: [Approval, recommendation, discussion, noting]	Noting
Link to Strategy: Please highlight how the paper links to, or assists with: <ul style="list-style-type: none"> • compliance • partnership services • risk management • strategic plan • new opportunity/change 	To ensure that our practice is aligned with national, sector and/or industry recognised standards and best practice, and to our values and commitments
Resource implications:	No
Risk implications:	No
Equality and Diversity implications:	No
Consultation: [staff, students, UHI & Partners, External] and provide detail	N/A

Status – [Confidential/Non confidential]	Non Confidential		
Freedom of Information Can this paper be included in “open” business* [Yes/No]	Yes		
*If a paper should not be included within “open” business, please highlight below the reason.			
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.)	Until the matters described are approved or resolved		

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

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

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

ICT Projects

Executive summary

This paper provides an overview of the major ICT Projects that have an impact on services within the College. The current academic year has brought new challenges with General Data Protection Regulation (GDPR) privacy laws from the EU impacting how data is stored and managed; Public Sector Action Plan on Cyber Resilience from the Scottish Government implementing a range of information security standards to adhere to including Cyber Essentials accreditation; as well as a continuing need to improve and procure new services, such as a new Wi-Fi system and helpdesk software across the UHI.

Cyber Resilience

The Cyber Resilience Public Sector Action Plan is the Scottish Government's response to recent events to allow the Scottish public sector to benefit from, and address the increasing threats and vulnerabilities to, digital technologies. The majority of the action plan, in particular around governance, training and incident response has been addressed as part of the College LEAD project on Information Security.

The Cyber Essentials Certification requirement is a new requirement that the UHI LIS team are working with partners to deliver on a UHI wide basis. Key feedback in the report was positive with policies and controls largely in place. Work complete in this period:

- All staff accounts now adhere to new more complex password policy. All passwords were reset at the end of last calendar year.

Current work is on-going to:

- Achieve Cyber Essentials accreditation UHI wide. This is a significant challenge as other education institutions have limited to smaller areas of their network, e.g. corporate PCs, whereas UHI is currently looking to accredit the whole network. The main issue being the need to patch software within 14 days which needs significant maintenance and cognisance of software deployed across the network to be on top of the updates required.
- Two-factor authentication is currently being piloted by the ICT team for wider use across the College.

VLE – Role out of Brightspace D2L

The procurement process and supplier selection process led by the UHI Academic development and Integrated Technology team progressed over the summer and 'Brightspace' D2L was selected as the preferred supplier.

An implementation project plan including staff training is well underway with the migration of materials currently being progressed. Brightspace training was a key priority for Academic staff at the College during the Staff Development Days in late January, with workshops continuing to be scheduled several times a week to continue to support staff transition to the new virtual learning environment.

The next phase is for trained staff to begin developing learning materials and organising content in the new VLE platform, in readiness for teaching commencing in Brightspace from August 2019.

Wi-Fi Procurement

The ICT Services Manager is the project lead for procuring a new solution across the UHI partnership. The College has been actively pursuing a Wi-Fi solution to provide an experience students now expect. That is, much like going in a coffee shop, an accessible and easy to use solution to access the internet quickly and reliably.

This is now in the deployment phase with new access points and infrastructure deployed across Inverness College UHI and the School of Forestry. The College is also helping push deployments across the wider UHI to help support our partners, such as configuring Highland Theological College devices and arranging training for North Highland.

The bandwidth and performance of the new Wi-Fi devices is a significant improvement and will help support increasing use of Bring Your Own Device and potentially more flexible working and studying across the building going forward.

Outstanding issues include reviewing and potentially improving the Wi-Fi visitor access and help portals with the aim to increase the user-friendliness of on boarding with the UHI wireless network.

Helpdesk Software Replacement

The ICT Helpdesk system was implemented to record user issues and requests, and is increasingly used by other teams across UHI such as Estates and Libraries. It is increasingly becoming a limitation both with functionality and the cost of increased user numbers.

Therefore, a project has been initiated to provide a helpdesk system that can improve common workflows, reporting on trends and tickets, more self-services for resolution, as well as provide a more easy to use interface and improved channel delivery e.g. chat.

A software solution, UniDesk, has now been procured which has been created by, for and rolled out successfully to a number of education establishments including the University of Edinburgh, St. Andrews, Stirling, Durham and many others. The project is in an early implementation phase with a development server to be set up to allow initial configuration, testing and training materials to be created. The current live data is scheduled for the end of May 2019. There are some resource issues that may cause this to go back to later in the summer but this will not have a major operational issue as the current helpdesk system is licensed until the autumn.

New VC Solution

UHI is currently looking to migrate the in house VC infrastructure, which is costly to maintain and has limitations in the number of connections it can support, to an external service. The external service, Vscene, managed by Ajenta and provided via JISC framework, allows more flexibility in call volumes as well as providing more versatility in

the applications it supports. That is, issues in connecting to Skype, Google Hangouts and other personal VC software solutions with our VC suites should be addressed and provide a more flexible VC solution going forward.

Digital Learning Strategy

In the last few months a minor organisational change in the College has led to a few changes in the ICT Services Team. That is, the Learning Technologist post and responsibility for technology enhanced learning has moved to the ICT Services team, from the Learning Resource Centre team, as well as the ICT Services team being managed by the Depute Principal, moving from the Director of Organisational Development.

To direct these new responsibilities and ensure we are engaging with the Digital requirements of our students going forward a Digital Learning Strategy or approach is being worked on. This was initiated in the College but the work being done is already being shared with our UHI partners as the challenges in engaging students, creating a digital experience and upskilling staff to deliver this will benefit from having more resources available.

This is at an early stage with an initial workshop being held with academic staff to gain hands on knowledge and ensure the initial research and discussions reflect the experiences of the staff actively working in using digital tools in learning and teaching.

FINANCE AND GENERAL PURPOSES COMMITTEE SELF-EVALUATION – ACTION PLAN

	Issue	Action required	Responsible person	Timescale/ Comments
1	Is the role and purpose of the audit committee understood and accepted across the institution?	Prepare a brief introduction to the Board and the role of its committees and make this accessible to all staff and students through iConnect and MyDay internet portals.	Board Secretary	End January 2019 Complete – published 18 January 2019
2	Are there any qualified accountants amongst the members?	Recruitment exercise to co-opt member(s) with relevant qualifications and skills	Board Secretary	End December 2018 Co-opted member position sought through Chamber of Commerce, Highland Business Women and Changing the Chemistry – no applications received
3	Do the finance committee members have an understanding of the accounting policies in use in the institution	Continue to enhance the level of detail provided within committee reports. Accounting policies are laid out within the annual accounts.	Director of Finance	Ongoing
4	Do the committee members have confidence in the financial management of the institution Do the finance committee members receive costing information to support decision-making?	Continue to discuss the financial challenges and receive reports on the controls and mechanisms in place to control costs. Continue to enhance the information and level of detail provided within the F&GP papers As above	Director of Finance	Ongoing
5	Do the clerking arrangements for the committee ensure that members' time is used effectively? e.g. <ul style="list-style-type: none"> • is there a good reason for each item being on the agenda ? • Are all papers circulated sufficiently in advance (and none tabled ?) and distributed in sufficient time for members to give them due consideration • Do the reports prepared for the members make it clear what they are being asked to do/agree? 	Ensure that all papers are circulated timeously and that reports are clear in relation to the action required	Board Secretary / Report Authors	Ongoing
6	Is the finance committee aware of the responsibilities of the governing body in relation to value for money and how it impacts upon the decisions made by the finance committee? Is the committee aware of the audit committee's views on the institution's arrangements for securing value for money?	Consider annual VFM report in December and review answer thereafter As above	Board Secretary/Director of Finance	For March 2018 meeting Item 13 on the agenda
7	Is the role of the finance committee with regard to the financial statements compatible/clear/ consistent with that of the audit committee?	Chairs Committee to discuss this in the first instance	Board Secretary	Chairs Committee – February 2019 Feb Chairs postponed – rescheduled for 12 March 2019
8	Has the committee evaluated whether and how it is adding value to the organisation?	Review this answer once actions from the evaluation exercise have been agreed	Board Secretary	Future Committee Meeting March 2019 Item 13 on the agenda
9	Has the committee obtained feedback on its performance from those interacting with the committee or relying on its work?	Further discussion with the committee chair to determine what action is required.	Board Secretary/Director of Finance/Committee Chair	By end March 2019