

Board of Management

Meeting	Finance and General Purposes Committee
Date and time	Thursday 27 September 2018 at 9.00 a.m.
Location	Boardroom, 1 Inverness Campus

Board Secretary
25 September 2018

AGENDA

Welcome and Apologies

Declarations of Interest

ITEMS FOR DECISION

1. **MINUTES**
Finance and General Purposes Committee held on 7 June 2018
2. **OUTSTANDING ACTIONS**
Action List
 - a. Sign Language Costs
3. **FINANCE STRATEGY**
Covering report by Director of Finance
4. **SFC FINANCIAL FORECAST RETURN (FFR) 2018**
Report by Director of Finance

ITEMS FOR DISCUSSION

5. **FINANCE TEAM – RESOURCE AND CAPABILITY**
Report by Director of Finance
6. **FINANCE MONITORING REPORT JULY 2018**
Report by Director of Finance
7. **CAPITAL MONITORING REPORT 2018/19**
Report by Director of Finance
8. **STRATEGIES – REVIEW OF PROGRESS**
 - a. Estates
 - b. ICT

- c. Business Development
- d. Marketing and Communications

9. NATIONAL BARGAINING

Verbal Update by Director of Organisational Development

10. COMMITTEE EVALUATION

Covering report by Board Secretary

ITEMS FOR NOTING

11. DEBT WRITE OFF REPORT

Report by Director of Finance

12. UPDATE ON ACCOUNTS & EXTERNAL AUDIT PROCESS 2017/18

Report by Director of Finance

13. AOCB

14. DATE OF NEXT MEETING

Thursday 6 December 2018 at 9.00 a.m.

Board of Management

MINUTES of the MEETING of the FINANCE AND GENERAL PURPOSES COMMITTEE held in the Board Room, 1 Inverness Campus on Thursday 7 June 2018.

PRESENT: Andy Gray, Brian Henderson, Carron McDiarmid, Helen Miller, Chris O'Neil, Gavin Ross, Tom Speirs

CHAIR: Brian Henderson

APOLOGIES: -

ATTENDING: Director of Finance
Director of Organisational Development
Director of Business Development
Secretary to the Board of Management

Carron McDiarmid declared an interest in item 2, namely the collaborative approach to sign language costs with Highland Council

1. MINUTES

The Minutes of the Meeting of the Finance and General Purposes Committee held on 8 March 2018 were **ACCEPTED** as a correct record, were **APPROVED** and signed by the Chair.

Andy Gray joined the meeting

2. OUTSTANDING ACTIONS

Resources – Finance Team

The Committee expressed concern at the potential loss of 50% of the Joint Director of Finance role to Moray College, noted the backfill to be provided for the Finance Manager while she undertook a full review of the staffing resource requirements of the Finance Team and the imminent departure of a current finance team member. A report would be submitted to the next meeting in September.

ALF / GTEIL final account

With reference to a final account from GTEIL so that the College would know the level of funds left in the ALF - A final list of Group 2 items had been submitted and the Directors of Organisational Development and Finance were checking the items included. It was hoped that the final figure would be revised downwards but the college would be able to meet the costs of the final account as agreed.

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

3. **REVENUE BUDGET 2018/19**

A report by the Director of Finance provided a proposed revenue budget for 2018/19, using the information currently available in relation to funding allocations from UHI as the Regional Strategic Body.

The Director of Finance spoke to her report, highlighting the following issues:-

- The FE credit target for the Highlands and Islands Region had been reduced by 1,136 credits
- The FE capital and maintenance grant for 2018-19 had been reduced from the previous year and the element of grant proposed to be allocated specifically for revenue maintenance was £70,000
- 1.1M had been allocated for national bargaining pay costs for lecturing staff but this did not include cost of living increases or for any costs relating to support staff pay awards.
- Other income included a number of income headings, including e.g. nursery fees, commercial hospitality income and research income.

The Committee discussed the report at some length, and the following points were made:-

- the need to disaggregate the other income heading to give clarity to the individual elements,
- the level of exposure and whether contingency plans were in place if targets were not met
- whether costs were adequately controlled; if staff were fully aware of their roles and responsibilities
- the efficiency and effectiveness of the top slice by EO and whether the College was receiving the level of service required

The Committee **AGREED** to **RECOMMEND** the draft revenue budget for 2018-19 to the Board of Management for approval, together with a supplementary covering report, which highlighted the key points raised during the discussion.

4. **CAPITAL EXPENDITURE PLAN 2018/19**

A report by the Director of Finance provided information on the capital funding allocations to Inverness College UHI for 2018/19 and the proposed use of these funds. The report also set out two options for the internal budget allocation of the capital funds.

The Director of Finance spoke to her report, highlighting the following issues:-

- The FE capital allocation for 2018/19 was £194,605 as against an allocation of £276,846 for 2017/18.
- The reduction in FE capital allocation and restrictions on the use of some of the allocated funding had resulted in a reduction of funding available for ICT and other equipment procurement, after allowing for a reduced level of investment in general maintenance.

The Committee discussed the report and **AGREED** that option two within the report was the preferred option, namely: that no budget allocation be made for other capital equipment in 2018/19 and the distribution was instead allocated to ICT. This was on the basis that a number of items identified through the

operational planning process had already been taken forward through the most recent submission to the Scottish Colleges Foundation.

Accordingly, **AGREED** to **RECOMMEND** the draft capital budget for 2018-19 to the Board of Management for approval, based on option 2 above.

5. **INTERNATIONAL STRATEGY**

A covering report by the Director of Business Development provided some background to the development of the international strategy and its link to the UHI Strategic Vision and plan 2015-2020.

The Committee discussed the draft strategy and were pleased to note that

- the focus was on students and the benefits of global citizenship
- there was a plan to extend the summer schools currently on offer and that the small profit margin from these summer schools would be reinvested in the International Development budget for the following year.
- the targets were both realistic and achievable

The Committee thanked the Director of Business Development for a well-written and clear piece of work and **AGREED** to **RECOMMEND** the international strategy to the Board of Management for approval, subject to baseline figures being added to targets for comparison.

6. **FINANCE MONITORING REPORT**

A report by the Director of Finance provided an update on the financial position for the current financial year as at 30 April 2018. She highlighted the following points

- Further adjustments would be required before the year end
- It was hoped that FE student activity would be within 150 – 200 credits of the target figure.
- The HE target had already been exceeded
- There were concerns with the way the micro RAM (relating to networked activity) had been redistributed and this would be discussed with UHI.
- Both staffing and supplies and services costs showed a negative variance
- There were concerns over the lack of finance available for statutory building maintenance functions.

The Committee **NOTED** the variances as at end of April 2018, expressed concern at the continued negative variances in supplies and services and **AGREED** that the UHI Court be asked for a breakdown of the UHI top slice, this information to be included in the supplementary report for the Board of Management on the Revenue Budget 2018/19.

7. **CAPITAL MONITORING REPORT TO MARCH 2018**

A report by the Director of Finance provided the final outturn position on the capital plan for 2017/18 as the capital year ran from April to March. There was a small overspend of £6,719.

The Committee discussed the importance of measuring the return on capital investment and **NOTED** the final outturn position on the capital plan for 2017/18.

8. GALLIFORD TRY FACILITIES MANAGEMENT (GTFM) MONITORING REPORT

A report by the Director of Organisational Development provided an account of GTFM, Hard FM contract performance across the following areas

- Level of service in relation to reactive maintenance
- Customer service centre and concept
- Monthly deduction reports – paymech
- Temporary repairs
- Other performance standards
- Authority change notices
- Defects
- Planned preventative maintenance (PPM)

The Committee **NOTED** the report, particularly the improvement in performance but expressed concern at how costly and time consuming this level of monitoring was for staff within the college

9. BUSINESS DEVELOPMENT REPORT

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

- Modern Apprenticeship SDS contract performance for 2017/18 was £462,783, an increase of 15% on 2016/7. This figure did not include the associated SFC income.
- Modern Apprenticeship contract starts had increased by 30% in 2017/18.
- Short course income to March 2018 was £314K against a budget of £197K, this was due to Flexible Workforce Development income of £153K received to date.
- Un-budgeted FWDF bids approved to date amounted to £264K, of which £54K would fall into 2018/19.
- International short course provision with US Universities will be delivered throughout May and June.
- CREATE had submitted a range of funding bids for regional and national programme delivery.
- The Commercial Food and Beverage operation was performing in line with financial expectations.

The Committee **WELCOMED** the growth across the different areas of business development.

10. RISK REGISTER ANNUAL REVIEW

A report by the Director of Finance provided a summary of the risks on the college's Risk Register that related to the remit of the committee.

The Committee discussed the relevant risks and **REQUESTED** that the SMT review risks

- 22 “The institution has a poor reputation” – there was a lack of consistency between the gross risk and the residual risk scores
- 30 “Institutional, personal and sensitive data and/or services are disrupted, corrupted, lost, stolen or misused through serious inappropriate usage of IT systems or data, by internal users of the university partnership or external factors” (an action plan was required).

11. FINANCE & GENERAL PURPOSES COMMITTEE EVALUATION

To comply with the Code of Good Governance for Scotland’s Colleges and good governance best practice, an annual evaluation of the Committee required to be undertaken. All Board members had completed the evaluation exercise and the Board Secretary would combine all responses into one document. A list of actions would be developed and would be submitted to the next meeting in September.

The Chair left the meeting

12. COMMITTEE CHAIR EVALUATION

To comply with the Code of Good Governance for Scotland’s Colleges and good governance best practice, an annual evaluation of the Committee Chair required to be undertaken.

The Committee collectively completed the annual committee chair evaluation exercise

The Chair re-joined the meeting

The following items of business were included in the agenda for noting so no discussion took place at the meeting

13. DEBT WRITE-OFF REPORT

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

14. NEW FINANCE SYSTEMS UPDATE

A joint report by the UHI Director of Business Improvement and the Director of Finance provided an update on the status of the new finance system implementation. The agreed date of 8 May for Inverness College UHI to commence user acceptance testing (UAT) had been postponed and as a result, the college could not commit to a 1 August go live date because of the level of risk involved.

15. ICT SERVICES REPORT

A report by the ICT Services Manager provided an overview of active ICT including:

- Cyber Resilience
- UHI Wi-Fi
- UHI Finance System Project
- VLE Review
- Helpesk Software Replacement
- ICT service review.

16. ESTATES AND CAMPUS SERVICES REPORT

A report by the Estates and Campus Services Manager set out the main developments over the last year in the following areas:

- Capital Projects
- Contract Management
- Estates Helpdesk development

17. FOUNDATION UPDATE

A report by the Director of Finance provided the final versions of the applications submitted to the Scottish Colleges Foundation for their meeting on 25 April 2018 and an update on the grant offers made.

18. DATE OF NEXT MEETING

27 September 2018 @ 09.00

Signed by the Chair: _____

Date: _____

Outstanding Actions from Finance and General Purposes Committee

28 September 2017				
Item	Action	Responsibility	Time line	Actioned
Sign language costs	Collaborative approach on costs with HC and NHS highland	D of Org Dev / Head of Student Services	For 18-19 Academic year	New steering group has been formed by IC UHI with representation from THC and other public bodies. Focus thus far has been on creating a common BSL action plan, in response to government priorities, and will encompass how we source BSL interpreter (L Snodgrass)

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 meeting September	
	Further develop budget phasing			
	A review of financial resources would be given priority once the new Finance Manager came into post in January 2018			

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	March meeting June meeting September	
	Further detail be provided so that patterns of debt and trends could be identified			
8 March 2018				
Finance Monitoring report	1. further information on other income and debt recovery would be provided to the Committee at the next meeting.	Director of Finance	June 2018 September 2018	

7 June 2018				
Item	Action	Responsibility	Time line	Actioned
Resources, Finance Team	Report to next committee	Director of Finance	September 2018	
Risk register annual review	review risks 22 “The institution has a poor reputation” – there was a lack of consistency between the gross risk and the residual risk scores 30 “Institutional, personal and sensitive data and/or services are disrupted, corrupted, lost, stolen or misused through serious inappropriate usage of IT systems or data, by internal users of the university partnership or external factors” (an action plan was required).	Depute Principal / SMT	July/Aug 2018	
F&GP committee evaluation	Develop list of actions from the evaluations undertaken	Board Secretary / Director of Finance	September 2018	

Board of Management

Subject/Title:	Finance Strategy
Author: [Name and Job title]	Fiona Mustarde, Director of Finance
Meeting:	Finance and General Purposes Committee
Meeting Date:	27 September 2018
Date Paper prepared:	24 September 2018
Brief Summary of the paper:	To provide the committee with the draft Finance Strategy for 2018/19 to 2022/23.
Action requested: [Approval, recommendation, discussion, noting]	Recommendation
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, SFC/Audit Scotland requirements Strategic plan – enabling strategy, sustainability
Resource implications:	Yes – long term financial sustainability
Risk implications:	Yes If yes, please specify: Operational: identifies requirements for decision making Organisational: financial sustainability
Equality and Diversity implications:	No If yes, please specify:
Consultation: [staff, students, UHI & Partners, External] and provide detail	N/A

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

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

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

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

Finance Strategy 2018/19 to 2022/23**Executive summary**

The committee is requested to discuss the draft Finance Strategy and recommend to the Board for approval.

Background

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, present financial challenges for the College.

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. Audit Scotland have reiterated this recommendation in their 2017 report.

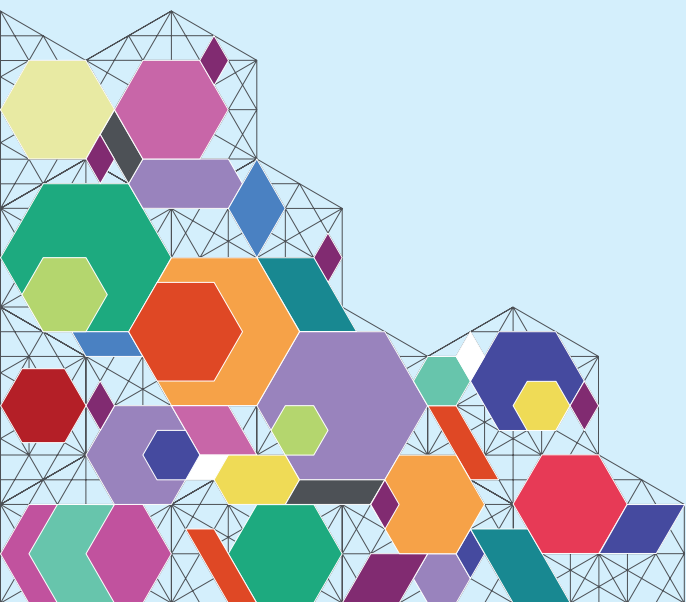
Finance Strategy

The strategy has been prepared taking into account other College strategies, our appreciation of the financial risks to the institution, and our understanding of opportunities and areas for development. It builds on discussions at both senior management team and operational management team meetings.

The key performance indicators suggested flow from KPIs commonly used and are some of those used by SFC when assessing financial performance.

**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 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.

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.

Commented [FM1]: Is this the correct year?

However, 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."

The Finance Strategy is interdependent with all the College enabling strategies. 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 sustainable curriculum that matches available resources
- Curriculum review ensuring that curriculum and methods of delivery meet student expectations
- Effective timetabling to ensure deployment of assets is maximised
- 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 flexibility of our estate to match demand
- Working with our facilities provider to ensure our estate is operating efficiently

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
- Clear understanding of the differing needs of budget holders leading to enhancement of financial monitoring reports to better meet those needs
- 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
- Working with stakeholders such as government agencies, third sector agencies and industry to increase the provision offered
- 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:

- Working with UHI to invest in marketing and promotion of identified curriculum in targeted international recruitment
- Identifying and focussing on specific markets
- 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 procurement and their role within this

We will achieve this by:

- 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

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

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:	SFC Financial Forecast Return (FFR) 2018
Author: [Name and Job title]	Fiona Mustarde, Director of Finance
Meeting:	Finance and General Purposes Committee
Meeting Date:	27 September 2018
Date Paper prepared:	24 September 2018
Brief Summary of the paper:	To provide the committee with the FFR 2018 for recommendation to the Board of Management for approval. In line with SFC guidance, the FFR 2018 will be initially be submitted in draft form.
Action requested: [Approval, recommendation, discussion, noting]	Recommendation
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 Risk Management – financial sustainability
Resource implications:	Yes
Risk implications:	Yes If yes, please specify: Operational: Organisational:
Equality and Diversity implications:	No If yes, please specify:
Consultation: [staff, students, UHI & Partners, External] and provide detail	N/A

Status – [Confidential/Non confidential]	Non confidential		
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SFC Financial Forecast Return (FFR) 2018

Background

Each year colleges are requested to complete a Financial Forecast Return (FFR) by the SFC. This forms part of the SFC's financial health monitoring framework. The FFR provides financial projections over a six year period, the current academic year (as at June) and the following five years. The 2018 FFR spans the period to July 2023.

Main body of information

SFC published the call for information during June 2018. This included annexes providing guidance on completion of the return and outlining some of the assumptions to be used. There were difficulties encountered with the FFR 2017 where there was a lack of clarity and guidance, particularly around national bargaining, which led to inconsistent approaches in completion across the sector. The guidance attempts to address some of these issues and states that regional strategic bodies should advise assigned colleges of their funding assumptions for the forecast period.

Both the FFR 2018 and the accompanying commentary have been attached.

One of the tables for completion takes the surplus/(deficit) figures reported as per the accounts (in the form of the Statement of Comprehensive Income) and adjusts these to reflect the underlying position. These adjustments were further refined from 2017 and now include an element to reflect the NPD capital repayment.

The biggest financial challenge facing not just IC UHI but the sector as a whole is the impact of National Pay Bargaining. The teaching staff will fully transition to the new pay scale on 1 April 2019 and this has been captured in the staff costs forecast. Support staff job evaluation is still at an early stage and outcomes are uncertain. Anticipated outcome costs as per the Colleges Scotland figures for support staff have been included in the forecasts however there is concern as to whether these costs accurately represent the likely outcomes. SFC funding for these costs has been included.

Coupled with this is the requirement to budget for cost of living pay awards for which there is no funding. The planned reduction in FE funding for Inverness College for 2019/20 is masked by additional funding for Inverness College relating to specifically to national bargaining. The reduced grant funding to the Highland region from 2020/21 onwards is not fully reflected in the Inverness College allocation due to the change in allocation methodology as the sector moves to a new credit funding model. SFC have stated that they plan to use the SFC contribution to mitigate larger losses for 2022/23. This is likely to include some of the colleges within the Highlands and Islands Region.

Key Risks

This sheet captures the key risks as identified in the Risk Register, as per guidance from SFC.

Statement of Comprehensive Income and Expenditure (SOCIE)

2017/18 actuals and 2018/19 approved budgets have been used as the baseline.

Income

- Tuition fees, research and other income assume 3% increases each year from 2018/19.
- SFC grant assumptions:
 - 2019/20 based on recent Partnership Council option agreed
 - 2020/21 funding to region drops by £500k, change in allocation to funding allocated based on credits ie no specific national bargaining
 - 2021/22 funding a further £500k reduction to the region
 - 2022/23 funding for region increases by £121k, overall change from 2019/20 drop of 3%
 - No change in activity targets throughout this time

Expenditure

- Staff costs include the teaching staff national bargaining transitional costs in 2018/19 with the final new pay scales from 2019/20 onwards.
- Estimated cost for support staff job evaluation mirrors the amounts identified by Colleges Scotland. Risk that this does not take account of local impact.
- FRS102 pension costs excluded from the forecast as per guidance. Included for 2106/17 and 2017/18 only.
- Other operating expenses reflect anticipated efficiencies and 3% increase from 2019/20
- Interest charges relate to the new campus contract and pension interest.

Underlying Operating Result

The purpose of this sheet is an attempt to strip out the non-cash elements to arrive at clearer picture of the financial position of each college in a consistent manner. The items on this sheet are those where there is less opportunity for colleges to influence the values, or items that are separately ring-fenced in government accounting terms. This sheet includes an adjustment to add back the capital repayment element of the NPD contract for which we receive grant funding in the SOCI but this element of the expenditure is moved to the balance sheet.

Balance Sheet

The fixed asset movements reflect depreciation and new additions. The disposal of the former Longman campus has not been reflected due to uncertainty over timing.

Capital Expenditure

Assumed static SFC grant income levels at 2018/19 budget values but excluding the grant for backlog maintenance. Plans are not yet drawn up for future years but on the basis that HE capital can only be spent on land and buildings we have kept the expenditure split static also. Capital expenditure is likely to change due to the high level of remaining backlog maintenance.

ALF Funding

Requests to the Foundation for funding are largely driven by needs identified through the annual operational planning process. An assumed level of funding has been included in the FFR along with the associated expenditure.

FFR Commentary

The call for information requests a commentary to be provided along with the spreadsheets to provide further detail behind the figures and the assumptions used and to explain how the forecasts represent the college's strategic plan.

The commentary identifies the key financial risks facing the College as being pay costs, the ability to achieve student activity targets and the financial sustainability of the UHI partnership.

COMMENTARY FOR FFR 2018 – INVERNESS COLLEGE UHI

1. INTRODUCTION

- The current strategic plan covers the period 2017-2020 with a recurring theme of opportunity and growth across all six strategic aims. The College has been working through the process of renewing existing strategies and formulating new strategies to underpin the overall strategic plan. Many of these strategies are now in place with the final strategy being the Finance Strategy which links to the other enabling strategies. The College went through a period of significant change at senior management level and Board level throughout 2017. The Principal started in post on 1 September 2017 and has now completed full cycle of activity with the College. This last year has been focussed on building positive relationships with UHI and our academic partners, as well as with our communities, employers and students.
- **NPD** – Both the main campus and Scottish School of Forestry campus opened to students at the start of 2015/16. The College pays a monthly unitary charge under the NPD contract for these buildings. The majority of this cost is met by SFC grant funding with the College responsible for a proportion related to hard facilities maintenance and lifecycle costs. There is ongoing discussion with the GT Equitix Ltd on the final costs in respect of group 2 equipment ie the equipment purchased by the contractor on behalf of the College. However an estimated value was originally accounted for in the 2015/16 financial statements.
- **HE student numbers** – in 2017/18, the College had a target of 1,595 FTEs which it exceeded with a final outturn of 1,609 FTEs. The curriculum plan for 2018/19 is in place with a target of 1,618 FTEs.
- **FE student numbers** - in 2017/18 the College had a target of 29,507 credits which included ESIF funded credits. This target was achieved with a final outturn of 29,559 credits. The credit target for 2018/19 is 29,211 which reflects the College share of the overall reduction in credits for the region. The reduction of 551 credits was allocated on a proportional basis across the UHI colleges.
- **On-going financial sustainability** - The College will consider how best to meet the needs of our learners in the challenging financial climate. The College acknowledges the risks posed by an increasing cost base against changing demand and reduced central funding. Planning is underway for an extensive curriculum review. This will help to inform scenario planning which will also consider workforce planning and income generation plans.

- **Customer service excellence and IIP Gold** – The College committed to transforming the organisational culture and has successfully engaged with both Customer Service Excellence and IIP Gold. The College is proud of gaining and retaining these recognised awards. With positive feedback from annual reviews that also identify opportunities for further embedding a supportive culture, the theme for this year is a culture of quality.

2. REVIEW OF FINANCIAL PERFORMANCE – 2017/18

- The projected underlying surplus outturn for the financial year 2017/18 is a surplus of £151,000, compared to the budgeted breakeven position.
- For SFC FE grant, the college is projecting to be above its target of 29,509 credits (including ESIF), with the draft final outturn being 29,559 credits. For HE activity, the college finished the year with a final position of 1,609 FTEs against a target of 1,595 FTEs.
- Tuition fees and education contracts are projected to be £4.347 million for the year, compared to the budget figure of £3.771 million. Education contracts have performed well, with the College achieving significant growth in SDS apprenticeship contracts. Research income continues to perform well and the Research team are actively pursuing new opportunities with local stakeholders in addition to national and international projects.
- Staff costs are projected to increase compared to the budget, the projected total being £14.750 million, compared to the budget of £14.442 million, an increase of 2.1%. This is due to covering staff absences and project posts.
- Other operating expenses have increased. Continued investment in our facilities as we seek increase flexibility in our estate and maintain our buildings to an appropriate standard has contributed to this rise. Other elements contributing are project expenditure, although this is covered by project income, and engaging the provision of specialist BSL interpreters to accommodate students.
- Fixed Assets include our main campus (including the Early Learning and Childcare Centre), the Scottish School of Forestry and the remaining former campus site at 3 Longman Road.
- The cash position becomes challenging in the later years of the forecast and this reflects our requirement for further income diversification.

3. SFC/ UHI RECURRENT GRANT

- The College's anticipated FE allocation of SFC funding for 2018/19 is based on a target of 29,211 credits, a reduction on 2017/18 of 298 credits. The main recurrent grant for 2018/19 is £7.841 million, exclusive of national bargaining. The national bargaining funding is £1.191 million, including an estimated value for support staff job evaluation.
- For 2018/19 the HE allocation has been budgeted at £4.595 million compared to £4.658 million for 2017/18, a decrease of £63,304. This grant figure is based on the college achieving an activity target of 1,608 FTEs in 2018/19, but also reflects a net outflow from the college income to other partners for delivery of teaching to Inverness College students.

4. CHANGES IN TUITION FEE INCOME & OTHER INCOME

- For 2018/19, tuition fees are budgeted at £3.330 million. This reflects a small increase of 3% on part time fee activity and the planned additional full fee paying RUK and international students.
- For other income, including research income, the anticipated outturn for 2017/18 is £2.7 million against a budget of £2.17million. The budget for 2018/19 has been set at £2.358million which reflects a reduction in ESIF income, catering income and other project income.

5. CHANGES IN STAFF COSTS & NON-STAFF COSTS

- The forecast staff costs include a 2% cost of living uplift. The figures also include an estimated value for support staff job evaluation in line with the Colleges Scotland and SFC funding figures.
- Other operating expenses is where the College is seeking efficiency savings. For 2018/19 and beyond, non-staff costs are assumed to increase by 3%.

6. RISK MANAGEMENT

- The key risks that have been identified when preparing the 2018/19 forecast have been presented to the Finance & General Purposes Committee and the Board of Management. The main risk relates to pay costs associated with national bargaining, both uplift in base salaries and cost of living pay awards when in real terms SFC grant funding is decreasing. Other key risks are the ability to achieve both the FE and HE activity targets, particularly with changing expectations and student

requirements, and the financial sustainability of the UHI partnership. There is a further risk presented by the change in bursary funding guidance relating to attendance requirements, although the FFR guidance states an assumption that student support costs will be fully met.

- In terms of mitigating the above risks, the College will work closely with the regional strategic body and assigned colleges. A number of initiatives were commenced during 2017/18 to streamline processes and ensure parity across the region for FE students. A comprehensive curriculum review is taking place during 2018/19 to refine the offer and ensure that the curriculum reflects stakeholder requirements and expectations. The College is exploring opportunities to grow activity levels with other agencies such as SDS and employers.
- More detailed planning will be taking place in the coming months to inform key strategic decisions. As part of this, the Board of Management will participate in further detailed discussion and review of the key risks. The College is focussed on achieving and providing value for money. This will be driven through effective collaborative procurement, continual review of staffing resources and elimination of waste in our processes.

7. OTHER ISSUES

- The college is currently working with the SFT to progress the disposal of the remaining Longman campus, having already sold both the Midmills campus and two elements of the Longman campus. This has been a protracted process however it has been agreed that the optimum course of action is to demolish the existing campus buildings and present a clear site for development. The demolition of the existing campus buildings is about to commence and work should be completed within the 2018/19 academic year. Note that the demolition is to be funded by specific SFC grant but this project has been excluded from the FFR.
- The effect of the accounting treatment for the NPD buildings has meant that there is a significant interest charge in the early years which adversely impacts on the SOCIE. This will diminish over the length of the contract and the capital element of the repayments will increase. The contract started with an interest value of £3,215,624 in 2016 which will reduce to £230,713 in the final year. The contract is for a 25 year period.
- The FFR for 2018 has been approved and signed off by the Principal but has yet to go to the Board. This will be presented to the next Finance and General Purposes Committee which takes place on 27

September 2018 and following that the Board of Management on 11
October 2018.

Fiona Mustarde
Director of Finance
Inverness College UHI

September 2018

Financial Forecast Return 2018

College

Contact

Telephone

Email:

DECLARATION:	The attached worksheets represent the financial forecasts for the College. They reflect a financial statement of our academic and physical plans from 2017-18 to 2022-23. Adequate explanations have been provided where requested on the return. The worksheets and their underpinning assumptions have been reviewed and approved by the Board of Management in accordance with their agreed practices. In preparing this financial forecast the College has fully considered the financial implications of all aspects of its strategy and has properly reflected these in the forecast.
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Signed:

Principal/Chief Executive Officer

Date:

KEY RISKS

Please use the boxes below to provide a commentary on material risks to income and expenditure as identified in the Risk Register. Where possible these risks should be quantified.

Pay costs. Particularly in relation to the outcomes from national pay bargaining and the uncertainty surrounding the support staff job evaluation. The lack of uplift to college grant funding leaves no scope for providing for national negotiated cost of living pay awards.

Reduced grant funding. Being a college assigned to an RSB there is limited influence regarding allocations of grant made available. The reduction in SFC grant funding to the region in the coming years reduces our ability to provide a full range of education at no or limited cost to students. Pressure on all colleges within the RSB creates risk for all.

Financial instability of UHI academic partners due to increased cost base and reduced income and/or ineffective business models.

Failure to achieve student activity targets.

College fails to identify and take opportunities for development and progression

Please use the boxes below to describe the actions planned by the College to address/mitigate the identified risks.

Mitigated by through vacancy management and continual assessment of staffing resource requirements.

Dialogue with UHI. Review of funding allocation methodology.

Regular financial monitoring. Changes in working practices. Collaborative procurement to drive cost savings.

Rigorous curriculum planning process in place, proactive development of school/college relationships, proactive development of relationships with employers, excellent quality management processes, systematic monitoring of applications through to enrolment.
Review of curriculum based on latest application and enrolment trends: actions taken accordingly to ensure curriculum offer meets demand. Review of planned curriculum to maximise the development of study and work-related skills across all programmes. Extend school-link offer to include Easter and summer skills development programmes. Close monitoring of actual recruitment from the start of the academic year to

Oversight of curriculum planning process led by Depute Principal. Chairing Research Committee to review progress income/investment balance of each research grouping, continued discussions with UHI Principal regarding IC UHI's potential expansion on Inverness Campus. Identification of opportunities by SMT through development of external relationships in key sectors. Identification of additional opportunities for development at team/subject level to maximise opportunities for growth

	Actual 2016-17	Forecast 2017-18	Forecast 2018-19	Forecast 2019-20	Forecast 2020-21	Forecast 2021-22	Forecast 2022-23	2016-17 - 2017-18	2017-18 - 2018-19	2018-19 - 2019-20	2019-20 - 2020-21	2020-21 - 2021-22	2021-22 - 2022-23	Explanation for variance
Statement of Comprehensive income and expenditure (Consolidated)	£000	£000	£000	£000	£000	£000	£000	%	%	%	%	%	%	
INCOME														
Tuition fees and education contracts	3,828	4,147	4,085	4,096	4,142	4,186	4,232	8.3%	-1.5%	0.3%	1.1%	1.1%	1.1%	
Funding council grants	17,782	18,431	19,268	19,638	20,384	20,293	20,324	3.6%	4.5%	1.9%	3.8%	-0.4%	0.2%	
Research grants and contracts	0	425	200	500	515	531	546		-52.9%	150.0%	3.0%	3.1%	2.8%	
Revenue grants from Arms Length Foundation	0	93	276	172	130	130	130		196.8%	-37.7%	-24.4%	0.0%	0.0%	
Capital grants from Arms Length Foundation	0	0	0	0	0	0	0							
Other non-government capital grants	0	0	0	0	0	0	0							
Deferred capital grant release (SFC and non-SFC Government)	1,985	587	505	450	450	420	390	-70.4%	-14.0%	-10.9%	0.0%	-6.7%	-7.1%	
Other income	2,901	2,273	2,158	2,200	2,197	2,238	2,281	-21.6%	-5.1%	1.9%	-0.1%	1.9%	1.9%	
Investment income	5	0	0	0	0	0	0	-100.0%						
Total income before donations and endowments	26,501	25,956	26,492	27,056	27,818	27,798	27,903	-2.1%	2.1%	2.1%	2.8%	-0.1%	0.4%	
Donations and endowments	0	0	0	0	0	0	0							
Total income	26,501	25,956	26,492	27,056	27,818	27,798	27,903	-2.1%	2.1%	2.1%	2.8%	-0.1%	0.4%	
EXPENDITURE														
Staff costs	14,560	15,715	16,041	16,886	17,391	17,913	18,449	7.9%	2.1%	5.3%	3.0%	3.0%	3.0%	
Staff costs - exceptional restructuring costs	0	0	0	0	0	0	0							
Exceptional costs - non-staff	0	0	0	0	0	0	0							
Other operating expenses	6,347	6,744	6,536	6,669	6,856	7,049	7,248	6.3%	-3.1%	2.0%	2.8%	2.8%	2.8%	
Donation to Arms Length Foundation	0	0	0	0	0	0	0							
Depreciation	1,839	1,720	1,546	1,531	1,365	1,217	940	-6.5%	-10.1%	-1.0%	-10.8%	-10.8%	-22.8%	
Interest and other finance costs	3,406	3,424	3,087	3,039	2,986	2,929	2,865	0.5%	-9.8%	-1.6%	-1.7%	-1.9%	-2.2%	
Total expenditure	26,152	27,603	27,210	28,125	28,598	29,108	29,502	5.5%	-1.4%	3.4%	1.7%	1.8%	1.4%	
Surplus/(deficit) before other gains and losses and share of operating surplus/deficit of joint ventures and associates	349	(1,647)	(718)	(1,069)	(780)	(1,310)	(1,599)	-571.9%	-56.4%	48.9%	-27.0%	67.9%	22.1%	
Gain/(loss) on disposal of fixed assets	(183)	0	0	0	0	0	0	-100.0%						
Gain/(loss) on investments	0	0	0	0	0	0	0							
Share of operating surplus/(deficit) in joint venture(s)	0	0	0	0	0	0	0							
Share of operating surplus/(deficit) in associate(s)	0	0	0	0	0	0	0							
Surplus/(deficit) before tax	166	(1,647)	(718)	(1,069)	(780)	(1,310)	(1,599)	-1092.2%	-56.4%	48.9%	-27.0%	67.9%	22.1%	
Other taxation	0	0	0	0	0	0	0							
Surplus/(deficit) for the year	166	(1,647)	(718)	(1,069)	(780)	(1,310)	(1,599)	-1092.2%	-56.4%	48.9%	-27.0%	67.9%	22.1%	
Unrealised surplus on revaluation of land and buildings	0	0	0	0	0	0	0							
Actuarial (loss)/gain in respect of pension schemes	(164)	7,157	0	0	0	0	0	-4464.0%	-100.0%					
Other comprehensive income	0	0	0	0	0	0	0							
Total comprehensive income for the year	2	5,510	(718)	(1,069)	(780)	(1,310)	(1,599)	275400.0%	-113.0%	48.9%	-27.0%	67.9%	22.1%	

UNDERLYING OPERATING RESULT	Actual 2016-17 £000	Forecast 2017-18 £000	Forecast 2018-19 £000	Forecast 2019-20 £000	Forecast 2020-21 £000	Forecast 2021-22 £000	Forecast 2022-23 £000	2016-17 - 2017-18 %	2017-18 - 19 %	2018- 20 %	2019- 21 %	2019-20 - 2020- 22 %	2020-21 - 2021- 23 %	2021-22 - 2022- %	Explanation for variance
Surplus/(deficit) before other gains and losses and share of operating surplus/deficit of joint ventures and associates	349	(1,647)	(718)	(1,069)	(780)	(1,310)	(1,599)								
Add:															
Total depreciation (Government-funded, privately funded and NPD-funded assets) net of deferred capital grant release (<i>incorporated colleges only</i>)	1,451	1,133	1,041	1,081	915	797	550	-21.9%	-8.1%	3.8%	-15.4%	-12.9%	-31.0%		
Exceptional non-restructuring items (e.g. impairment costs)	0	0	0	0	0	0	0								
Non-cash pension adjustment - net service cost	673	894						32.8%	-100.0%						
Non-cash pension adjustment - net interest cost	251	294	0	0	0	0	0	17.1%	-100.0%						
Donation to Arms Length Foundation (<i>incorporated colleges only</i>)	0	0	0	0	0	0	0								
Deduct:															
Non-Government capital grants (e.g. ALF capital grant)	0	0	0	0	0	0	0								
Exceptional income (if disclosed as exceptional in accounts)	1,596	0	0	0	0	0	0	-100.0%							
CBP allocated to loan repayments and other capital items (<i>incorporated colleges only</i>)	0	0	0	0	0	0	0								
NPD payments to reduce NPD balance sheet debt	478	523	580	639	702	771	846	9.4%	10.9%	10.2%	9.9%	9.8%	9.7%		
Underlying operating result	650	151	(257)	(627)	(567)	(1,284)	(1,895)	-76.8%	-270.2%	144.0%	-9.6%	126.5%	47.6%		
Cash budget for priorities (<i>incorporated colleges</i>) :															
Revenue priorities															
Student support funding	0	0	0	0	0	0	0								
2015-16 pay award	182	182	182	182	182	182	182								
Voluntary severance	0	0	0	0	0	0	0								
Estates costs	0	0	0	0	0	0	0								
Other - please describe	0	0	0	0	0	0	0								
Total impact on operating position	182	182	182	182	182	182	182								
Capital priorities															
Loan repayments	0	0	0	0	0	0	0								
NPD / PFI repayments	0	0	0	0	0	0	0								
Estates costs	0	0	0	0	0	0	0								
Provisions pre 1 April 2014	0	0	0	0	0	0	0								
Total capital	0	0	0	0	0	0	0								
Total cash budget for priorities spend	182	182	182	182	182	182	182								

Inverness College UHI

	Actual 2016-17 £000	Forecast 2017-18 £000	Forecast 2018-19 £000	Forecast 2019-20 £000	Forecast 2020-21 £000	Forecast 2021-22 £000	Forecast 2022-23 £000	2016-17 - 2017-18 %	2017-18 - 2018-19 %	2018-19 - 2019-20 %	2019-20 - 2020-21 %	2020-21 - 2021-22 %	2021-22 - 2022-23 %	Explanation
Staff costs														
Salaries	11,118	11,851	12,838	13,543	13,948	14,366	14,797	6.6%	8.3%	5.5%	3.0%	3.0%	3.0%	
Social Security costs	1,017	1,095	1,163	1,224	1,261	1,299	1,337	7.7%	6.2%	5.2%	3.0%	3.0%	2.9%	
Other pension costs	1,752	1,875	2,040	2,119	2,182	2,248	2,315	7.0%	8.8%	3.9%	3.0%	3.0%	3.0%	
FRS 102 pensions adjustments	673	894						32.8%	-100.0%					
Total	14,560	15,715	16,041	16,886	17,391	17,913	18,449	7.9%	2.1%	5.3%	3.0%	3.0%	3.0%	

Balance Sheet		Actual 2016-17	Forecast 2017-18	Forecast 2018-19	Forecast 2019-20	Forecast 2020-21	Forecast 2021-22	Forecast 2022-23	2016-17 - 2017-18	2017-18 - 2018-19	2018-19 - 2019-20	2019-20 - 2020-21	2020-21 - 2021-22	2021-22 - 2022-23	Explanation for variance
		£000	£000	£000	£000	£000	£000	£000	%	%	%	%	%	%	
1 Non-current assets	a) Intangible assets	0	0	0	0	0	0	0							
	b) Fixed assets	52,253	50,928	49,707	48,440	47,339	46,386	45,710	-2.5%	-2.4%	-2.5%	-2.3%	-2.0%	-1.5%	
	c) Investments	0	0	0	0	0	0	0							
Total non-current assets		52,253	50,928	49,707	48,440	47,339	46,386	45,710	-2.5%	-2.4%	-2.5%	-2.3%	-2.0%	-1.5%	
2 Current assets	a) Stock	0	0	0	0	0	0	0							
	b) Debtors	452	487	450	450	450	450	450	7.7%	-7.6%	0.0%	0.0%	0.0%	0.0%	
	c) Investments	0	0	0	0	0	0	0							
	d) Cash and cash equivalents	3,763	4,064	3,292	3,099	3,196	2,635	1,438	8.0%	-19.0%	-5.9%	3.1%	-17.6%	-45.4%	
	e) Other (e.g. assets for resale)	0	0	0	0	0	0	0							
Total current assets		4,215	4,551	3,742	3,549	3,646	3,085	1,888	8.0%	-17.8%	-5.2%	2.7%	-15.4%	-38.8%	
3 Creditors: amounts falling due within one year	a) Bank loans and external borrowing	0	0	0	0	0	0	0							
	b) Bank overdrafts	0	0	0	0	0	0	0							
	c) Lennartz creditor	0	0	0	0	0	0	0							
	d) Obligations under finance leases and service concessions	0	0	0	0	0	0	0							
	e) Payments received in advance	0	0	0	0	0	0	0							
	f) Amounts owed to Funding Council	0	0	0	0	0	0	0							
	g) Obligations under PFI/NPD	530	580	638	702	771	846	928	9.4%	10.0%	10.0%	9.8%	9.7%	9.7%	
	h) Other creditors and accruals	6,587	3,194	3,194	3,194	3,194	3,194	3,194	-51.5%	0.0%	0.0%	0.0%	0.0%	0.0%	
	Total creditors < 1year	7,117	3,774	3,832	3,896	3,965	4,040	4,122	-47.0%	1.5%	1.7%	1.8%	1.9%	2.0%	
Share of net assets/(liabilities) in associate		0	0	0	0	0	0	0							
NET CURRENT ASSETS/LIABILITIES		(2,902)	777	(90)	(347)	(319)	(955)	(2,234)	-126.8%	-111.6%	285.6%	-8.1%	199.4%	133.9%	
TOTAL ASSETS LESS CURRENT LIABILITIES		49,351	51,705	49,617	48,093	47,020	45,431	43,476	4.8%	-4.0%	-3.1%	-2.2%	-3.4%	-4.3%	
4 Creditors: amounts falling due after more than one year	a) Local authority loans	0	0	0	0	0	0	0							
	b) Bank loans and external borrowing	0	0	0	0	0	0	0							
	c) Lennartz creditor	0	0	0	0	0	0	0							
	d) Finance leases and service concessions	0	0	0	0	0	0	0							
	e) Obligations under PFI/NPD	37,464	36,891	36,252	35,550	34,779	33,933	33,005	-1.5%	-1.7%	-1.9%	-2.2%	-2.4%	-2.7%	
	f) Amounts repayable to Funding Council	0	0	0	0	0	0	0							
	g) Other creditors	7,452	10,479	10,479	10,479	10,479	10,479	10,479	40.6%	0.0%	0.0%	0.0%	0.0%	0.0%	
Total creditors >1 year		44,916	47,370	46,731	46,029	45,258	44,412	43,484	5.5%	-1.3%	-1.5%	-1.7%	-1.9%	-2.1%	
5 Provisions	a) Pension provisions	12,520	6,502	6,502	6,502	6,502	6,502	6,502	-48.1%	0.0%	0.0%	0.0%	0.0%	0.0%	
	b) Other	451	442	435	428	421	414	407	-2.0%	-1.6%	-1.6%	-1.6%	-1.7%	-1.7%	
Total provisions		12,971	6,944	6,937	6,930	6,923	6,916	6,909	-46.5%	-0.1%	-0.1%	-0.1%	-0.1%	-0.1%	
TOTAL NET ASSETS		(8,536)	(2,609)	(4,051)	(4,866)	(5,161)	(5,897)	(6,917)	-69.4%	55.3%	20.1%	6.1%	14.3%	17.3%	
9 Restricted Reserves	a) Endowment Reserve	0	0	0	0	0	0	0							
	b) Restricted Reserve	0	0	0	0	0	0	0							
10 Unrestricted reserves	a) Income and Expenditure Reserve	-8,538	-2,609	-4,051	-4,866	-5,161	-5,897	-6,909	-69.4%	55.3%	20.1%	6.1%	14.3%	17.2%	
	b) Revaluation reserve	0	0	0	0	0	0	0							
11 Non-controlling interest		0	0	0	0	0	0	0							
TOTAL RESERVES		(8,538)	(2,609)	(4,051)	(4,866)	(5,161)	(5,897)	(6,909)	-69.4%	55.3%	20.1%	6.1%	14.3%	17.2%	

Inverness College UHI

Capital Expenditure Projects and Forecast Methods of Financing

	Actual 2016-17 £000	Forecast 2017-18 £000	Forecast 2018-19 £000	Forecast 2019-20 £000	Forecast 2020-21 £000	Forecast 2021-22 £000	Forecast 2022-23 £000	2016-17 - 2017-18 %	2017-18 - 2018-19 %	2018-19 - 2019-20 %	2019-20 - 2020-21 %	2020-21 - 2021-22 %	2021-22 - 2022-23 %
Expenditure:													
Land & Buildings	201	308	261	200	200	200	200	53.2%	-15.3%	-23.4%	0.0%	0.0%	0.0%
Equipment & Others	245	150	64	64	64	64	64	-38.8%	-57.3%	0.0%	0.0%	0.0%	0.0%
	446	458	325	264	264	264	264	2.7%	-29.0%	-18.8%	0.0%	0.0%	0.0%
Financed by:													
Cash reserves	0	0	0	0	0	0	0						
Arms Length Foundation	0	0	0	0	0	0	0						
Leasing	0	0	0	0	0	0	0						
SFC grant	444	435	325	264	264	264	264	-2.0%	-25.3%	-18.8%	0.0%	0.0%	0.0%
Re-investment of proceeds from disposal of assets *	0	0	0	0	0	0	0						
Non-SFC grants	0	0	0	0	0	0	0						
PFI/NPD	0	0	0	0	0	0	0						
Other - please specify if material	0	22	0	0	0	0	0		-100.0%				
	444	457	325	264	264	264	264	2.9%	-28.9%	-18.8%	0.0%	0.0%	0.0%

* to be included only where this has been agreed by SFC

Capital disposals

Disposal proceeds:

Asset description							
Asset description							
Asset description							
Asset description							
	0	0	0	0	0	0	0

Gain/(loss) on disposal:

Asset description	-183						
Asset description							
Asset description							
Asset description							
	-183	0	0	0	0	0	0

Inverness College UHI
ALF Funding

	Actual 2016-17 £000	Forecast 2017-18 £000	Forecast 2018-19 £000	Forecast 2019-20 £000	Forecast 2020-21 £000	Forecast 2021-22 £000	Forecast 2022-23 £000
Estimated balance of cash in ALF as at 1 August	2,655	2,655	2,562	2,286	2,114	1,984	1,854
Donation to Arms Length Foundation	0	0	0	0	0	0	0
Grant from Arms Length Foundation - capital	0	0	0	0	0	0	0
Grant from Arms Length Foundation - revenue	0	(93)	(276)	(172)	(130)	(130)	(130)
Estimated balance of cash in ALF as at 31 July	2,655	2,562	2,286	2,114	1,984	1,854	1,724

Note:

For most foundations, the most recent accounts available are for periods ending in 2017. Colleges' forecast movements will not include governance costs, donations from third parties, payments to third parties or investment income.

Grant from Arms Length Foundation - capital:

Research match funding	0	0	0	0	0	0	0
Description	0	0	0	0	0	0	0
Description	0	0	0	0	0	0	0
Description	0	0	0	0	0	0	0
Description	0	0	0	0	0	0	0
Description	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0

Grant from Arms Length Foundation - revenue

Research match funding	0	93	0	0	0	0	0
ICT equipment / Estates	0	0	78	100	100	100	100
Curriculum resources	0	0	105	30	30	30	30
Sports development	0	0	16	0	0	0	0
Research facilitator	0	0	42	42	0	0	0
Marketing / training	0	0	35	0	0	0	0
Total	0	93	276	172	130	130	130

Inverness College UHI
FINANCIAL SUMMARY

Actual 2016-17	Forecast 2017-18	Forecast 2018-19	Forecast 2019-20	Forecast 2020-21	Forecast 2021-22	Forecast 2022-23
£000	£000	£000	£000	£000	£000	£000

Income ratios							
Total Income	26,501	25,956	26,492	27,056	27,818	27,798	27,903
Total Funding Council Grant as % of Total Income	67%	71%	73%	73%	73%	73%	73%
Total non-Funding Council Grant as % of Total Income	33%	29%	27%	27%	27%	27%	27%
Total Education Contracts and Tuition Fees as % of Total Income	14%	16%	15%	15%	15%	15%	15%
Total Research Grants and Contracts as % of Total Income	0%	2%	1%	2%	2%	2%	2%
Total Other Income as % of Total Income	11%	9%	8%	8%	8%	8%	8%

Expenditure ratios							
Total Expenditure	26,152	27,603	27,210	28,125	28,598	29,108	29,502
Salaries as % of Total Expenditure	56%	57%	59%	60%	61%	62%	63%
Other operating costs as % of Total Expenditure	24%	24%	24%	24%	24%	24%	25%
Depreciation/amortisation as % of Total Expenditure	7%	6%	6%	5%	5%	4%	3%

Operating position							
Operating Surplus/(deficit)	349	-1,647	-718	-1,069	-780	-1,310	-1,599
Operating Surplus/(deficit) as % of Total Income	1%	-6%	-3%	-4%	-3%	-5%	-6%
Underlying operating surplus/(deficit)	650	151	-257	-627	-567	-1,284	-1,895
Underlying operating surplus/(deficit) as % of Total Income	2.5%	0.6%	-1.0%	-2.3%	-2.0%	-4.6%	-6.8%

Cash Position							
Cash and Current Asset Investments	3,763	4,064	3,292	3,099	3,196	2,635	1,438
Overdrafts	0	0	0	0	0	0	0
Days Ratio of Cash to Total Expenditure	56	57	47	43	43	34	18

Balance Sheet strength							
Unrestricted reserves	(8,538)	(2,609)	(4,051)	(4,866)	(5,161)	(5,897)	(6,909)
Current Ratio	0.59	1.21	0.98	0.91	0.92	0.76	0.46
Unrestricted reserves as % of Total Income	-32%	-10%	-15%	-18%	-19%	-21%	-25%
Total borrowing (Overdrafts, Loans, Finance Leases, PFI/NPD)	37,994	37,471	36,890	36,252	35,550	34,779	33,933
Interest cover	1.10	0.52	0.77	0.65	0.74	0.55	0.44

Board of Management

Subject/Title:	Finance Team Resource and Capability
Author: [Name and Job title]	Fiona Mustarde, Director of Finance
Meeting:	Finance and General Purposes Committee
Meeting Date:	27 September 2018
Date Paper prepared:	19 September 2018
Brief Summary of the paper:	To update the Committee on the current position regarding team resources, including an update on the position of the new finance system implementation.
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 – demonstrates the risks and mitigating actions being taken with regard to the provision of financial services within Inverness College UHI
Resource implications:	Yes
Risk implications:	Yes If yes, please specify: Operational: Health and well-being of staff Organisational: Ineffective management of risks leading to adverse financial impacts
Equality and Diversity implications:	No
Consultation: [staff, students, UHI & Partners, External] and provide detail	N/A

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

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

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

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

Finance Team Resourcing

Executive summary

This report provides the Committee with information regarding the current resourcing of the Finance function and the position regarding the long awaited replacement finance system. The information contained within this report has also been presented to Audit Committee.

Background information

Concerns have previously been highlighted in relation to resourcing of the Finance function within Inverness College UHI and whether the resources available are sufficient to provide the level of service required by both the Board of Management and College managers.

Finance Resourcing

In order to effectively support the College in addressing the key financial risks faced, a sufficiently robust finance function is required. One of the primary recommendations resulting from the external audit process last year related to finance departmental resourcing. At the time of the external audit, the Director of Finance had been in post for three months and recruitment for a new Finance Manager was still active. This was a challenging post to recruit to but ultimately led to a successful appointment with a new manager in post at the end of January 2018.

The current financial system in place is outdated and no longer meets our organisational needs. We are part of a UHI led project to procure and implement a new finance system which will transform the way in which the finance function operates (procurement took place in 2015). In anticipation of this, no permanent establishment decisions were taken, with an expectation that a full review would be undertaken once the new system was in use (originally scheduled for 2016) and therefore we would be in a better position to make informed decisions on our future requirements.

However, this project is more than two years behind schedule and the earliest go live date for Inverness College UHI is now August 2019. Given the difficulties encountered with the development and configuration to date, even if the system successfully completes user acceptance testing in the coming months, we are of the view that an in-year go live is too high risk.

The Finance Manager has undertaken a review of resource required to maintain service levels, build resilience and provide stability within the team, and Resource Panel has approved the immediate requirements. A redistribution of tasks between some roles will provide opportunities for change. This, combined with a process review underway by the UHI Business Improvement Team, should alleviate some of the current pressures. It

should be noted that this does not increase the overall staffing resource above current levels, but it will provide stability by recruiting to permanent positions.

Whilst this should enhance the level of support provided to managers, this is unlikely to fully address our need for further appropriately skilled financial expertise to support managers in meeting the challenges faced. A full review is to be carried out by bringing in external resource to identify opportunities and requirements.

Board of Management

Subject/Title:	Finance Monitoring Report – July 2018
Author: [Name and Job title]	Fiona Mustarde, Director of Finance
Meeting:	Finance and General Purposes Committee
Meeting Date:	27 September 2018
Date Paper prepared:	14 September 2018
Brief Summary of the paper:	To inform the committee of the financial position for the financial year as at 31 July 2018.
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.)			

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Financial Monitoring for 2017/18 as at July 2018

Executive summary

The committee is asked to discuss the report.

Background information

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

The financial monitoring for the 12 months to July 2018 are attached. Further detail to support values is contained in the narrative below. It should be noted that adjustments are still being made to ascertain the final year end position for the annual accounts.

Income and Expenditure Monitoring

1. The results of the financial monitoring exercise for the 12 months to July 2018 are summarised in the table below.

Table 1: 2017/18 Income and Expenditure Monitoring – July 2018

YEAR TO DATE	Actual Jul 18 £000	Phased Budget Jul 18 £000	Variance £000
Income	28,196	26,442	1,754
Expenditure	29,211	27,524	(1,687)
Net Operational Surplus (Deficit)	(1,015)	(1,082)	67

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 12 months to July 2018, shows the net operational position is £67,000 above the budget level. Income, at £1,754,000 above the budget

level and expenditure at £1,687,000 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 shows a forecast net operational deficit of £1,015,000 compared with the budget level of £1,082,000, a positive variance of £67,000. Note that these figures include the budget amounts for both depreciation and deferred grant. Final adjustments for the annual accounts are currently being made to ensure that income and expenditure values are captured within the appropriate financial year and that values are recorded in line with relevant requirements.
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 – Debtors Report – showing business & student debt split, in graphical form.
 - Page 7 – Creditors Report – showing creditor payment days in graphical form.
 - Page 8 – Summary Income & Expenditure and cash flow information from January 2017 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 £7,999,542 for 2017/18 and our core credit target was 29,069 credits. In addition, we had an income budget in respect of ESIF funded credits which amounted to £62,500 for 250 credits, based on information available during the budgeting process.

The following table illustrates the draft final credit position for 2017/18.

FE	2017/18
Core Credit Target	29,069
ESF Target	438
Total Target	29,507
Total Credits as at 31/07/2018	29,559

As you can see from the above table, Inverness College UHI have met both our core credit target and our ESF credit target for 2017/18, subject to final audit verification.

Highland region is currently predicting a surplus of credits against target.

The HE (PPF) target for 2017/18 for undergraduate students with a fee status of 'Scottish' or 'European' was 1,595.4 FTE. As at 28 June the final FTE, counted by module attachment is 1,609 FTE and as a result we have exceeded our target.

PPF Target HE FTE (Undergraduate students, including SC and EU fee statuses, excluding PGDE)	1,595.4
Current HE students as at 28/06/2018 - count by Module attachment.	1,609.0

7. The budget for the year for SFC unitary charge funding is £4,699,000 and at July 2018, there is a negative variance of £2,000. The negative variance is due to additional funding to cover the insurance costs recharged by GTEIL as required in the contract, being less than was budgeted for. This funding is drawn down retrospectively and matches expenditure.
8. The forecast year end funding position for student support funds (bursary, discretionary, childcare) has increased to £2,381,000. This is due to the results of the in-year redistribution exercise that takes place through which we have secured an additional £60,000 of funding and also the change to reflect all student support funds.
9. The budget for the year for tuition fees is £3,133,554 and the forecast position at July 2018 is £3,677,000, leading to a positive variance of £534,000.
10. SDS Training Contracts income consists of modern apprenticeship funding and foundation apprenticeship funding. Current income at July 2018 is £995,000 against a budget of £442,000, leading to a positive variance of £357,000. Checks are being made to ensure funds are allocated to the correct financial year. Mostly 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.
11. Other income for the 12 months to July 2018 is £2,216,000, £45,000 above the budget of £2,171,000. The most significant individual identified components of other income are nursery income and catering. Nursery income is below target with actual of £275,796 against budget of £302,261. Catering and hospitality income has a positive variance of £65,922, with actual income of £878,042 against full year budget of £812,120.
12. The calculation of deferred grant is still being finalised.

Expenditure

13. Actual expenditure on staffing costs for the 12 months to July 2018 is above the phased budget by £383,000. Other staff costs are over budget by £76,000. Overall there is a deficit of £459,000 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.

Some of the deficit has arisen through the requirement to cover staff absences, although there is no contingency within the staffing budget to accommodate this cost. There are other staff costs which have been funded through project or other income.

14. Property costs at July 2018 amount to £1,222,000 against a budget of £1,126,000, a deficit of £96,000. For 2018/19, the Estates Manager will be working closely with an allocated accountant to ensure that property costs remain in budget.
15. The unitary charge position shows a positive variance of £182,000 against budget year to date, with a significant forecast positive variance at year-end. This reflects the poor performance from GTFM which has resulted in a higher level of deductions being applied to the monthly invoices received from GTEIL. It should be noted that the deductions applied are draft values and have not been fully agreed with GTFM/GTEIL.
16. The negative variance in transport costs primarily relates to repair costs for both Forestry and pool vehicles.
17. Supplies and services has a negative variance of £1,052,000 for the 12 months to July 2018. This includes the cost of unbudgeted BSL interpretation services at £59,712; charges to consultants fees resulting in a negative variance of £78,592 (although this cost is covered by project funding); academic supplies negative variance of £110,523; ICT costs relating to the FE services provided by UHI LIS resulting in a negative variance of £293,870 (additional grant funding to cover but still leaves cost of £58,774 VAT charge unfunded); payments for student accommodation of £100,736 (although some of this is covered by income received and requires to be specifically identified in future budget setting); and a negative variance against VAT of £222,717.

Cash Flow

18. The opening cash balance for the year was £3,725,000, including the separate HE student discretionary funding account
19. The cash balance at 31 July 2018 is a positive £4,084,000. This compares favourably with the anticipated position of £2,467,000.

Creditor Payments

20. Analysis of creditor payment runs indicates an average invoice payment period of 29 days over the 12 month period to July 2018, compared with the figure of 28 days in the 12 months to July 2017. A chart setting out the monthly results over the past year of the creditor payment analysis is appended.

Debtors Summary

21. Analysis of debtor's information shows that for July 2018, the total invoiced debt for the College increased from £504,310 in June 2018 to £737,109, an increase of £232,799. Charts showing the above are appended to this report, on page 6 of the appendices. Debt recovery remains an ongoing challenge for the Finance team.

Comparable Monitoring Information from July 2017

There are 2 sets of figures included for comparison purposes. The first table is the income and expenditure figures from July 2017, which shows the forecast, budget and the variance. The second table shows the cash flow figures from July 2017, which again shows the forecast, budget and variance figures.

Inverness College

Income and Expenditure Report

£000

Year 2017/18

Month July

		Year End		
	Report Para.	Forecast	Budget	Variance
Income				
Grants	6	13,477	12,838	639
Unitary Charge	7	4,697	4,699	(2)
Student Support Funds		2,381	2,209	172
Fees	8	3,677	3,134	543
SDS Training Contracts	9	995	638	357
Other Income	10	2,216	2,171	45
Deferred Grant	11	753	753	0
		28,196	26,442	1,754
Expenditure				
Staff	12	14,629	14,246	(383)
Other Staff	12	272	196	(76)
Property		1,222	1,126	(96)
Unitary Charge	13	4,002	4,184	182
Transport		125	83	(42)
Supplies and Services	13	4,696	3,644	(1,052)
Student Support Funds		2,429	2,209	(220)
Depreciation		1,836	1,836	0
		29,211	27,524	(1,687)
Net Operational Surplus (Deficit)		(1,015)	(1,082)	67

Inverness College

Income and Expenditure Report

Year 2017/18

Month July

£000

		Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual				Movement	
Report Para.		<u>AUGUST</u>	<u>SEPT</u>	<u>OCT</u>	<u>NOV.</u>	<u>DEC</u>	<u>JAN</u>	<u>FEB</u>	<u>MARCH</u>	<u>APRIL</u>	<u>MAY</u>	<u>JUNE</u>	<u>JULY</u>	<u>TOTAL</u>	<u>Budget</u>	<u>Variance</u>	since LM
Income																	
Grants	8	899	899	1,152	1,112	1,027	1,001	1,101	1,069	1,162	1,073	1,215	1,767	13,477	12,838	639	780
Unitary Charge Funding		436	387	387	386	390	387	388	387	387	387	388	387	4,697	4,699	(2)	(2)
Student Support Funds		115	230	230	234	214	159	76	379	229	231	243	41	2,381	2,209	172	7
Fees	9	111	26	632	250	306	268	289	348	318	453	308	368	3,677	3,134	543	154
SDS Training Contracts	10	0	0	135	55	58	19	59	22	105	125	242	175	995	638	357	119
Other Income	11	133	189	170	204	144	112	214	173	236	224	71	346	2,216	2,171	45	146
Deferred Grant		62	62	65	62	63	63	62	63	63	63	63	62	753	753	0	(1)
		1,756	1,793	2,771	2,303	2,202	2,009	2,189	2,441	2,500	2,556	2,530	3,146	28,196	26,442	1,754	1,203
Expenditure																	
Staff	12	1,107	1,125	1,168	1,226	1,252	1,178	1,218	1,078	1,295	1,421	1,241	1,320	14,629	14,246	(383)	(68)
Other Staff	12	9	15	34	15	18	7	47	25	19	19	30	34	272	196	(76)	(14)
Property	13	54	127	144	99	81	82	102	164	79	45	115	130	1,222	1,126	(96)	(42)
Unitary Charge		341	321	338	337	303	308	315	334	354	352	349	350	4,002	4,184	182	(15)
Transport		6	3	11	9	9	11	12	4	17	11	27	5	125	83	(42)	1
Supplies and Services	13	274	298	461	405	363	264	480	293	473	407	493	485	4,696	3,644	(1,052)	(184)
Student Support Funds		19	200	248	244	334	231	262	226	210	175	259	21	2,429	2,209	(220)	(21)
Depreciation		153	153	153	153	153	153	153	153	153	153	153	153	1,836	1,836	0	0
		1,963	2,242	2,557	2,488	2,513	2,234	2,589	2,277	2,600	2,583	2,667	2,498	29,211	27,524	(1,687)	(343)
Net Operational Surplus (Deficit)																	
		(207)	(449)	214	(185)	(311)	(225)	(400)	164	(100)	(27)	(137)	648	(1,015)	(1,082)	67	860
Net deprn																	
		(91)	(91)	(88)	(91)	(90)	(90)	(91)	(90)	(90)	(90)	(90)	(91)	(1,083)	(1,083)		

Inverness College

Cash Flow Analysis

£000

Year 2017/18

Month July

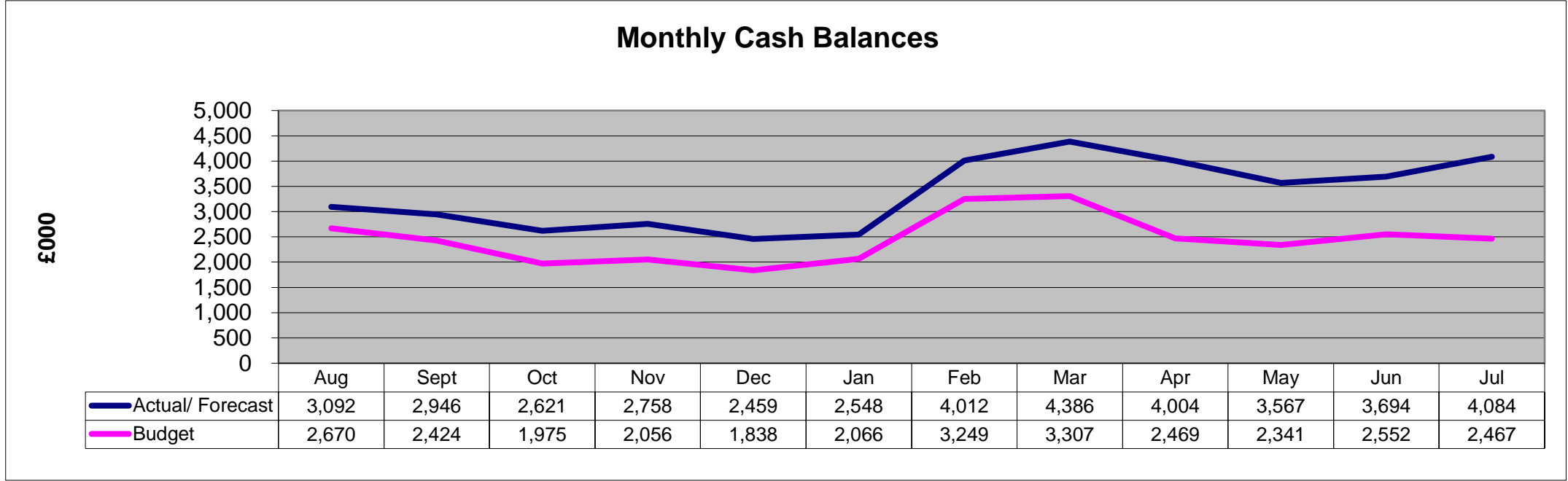
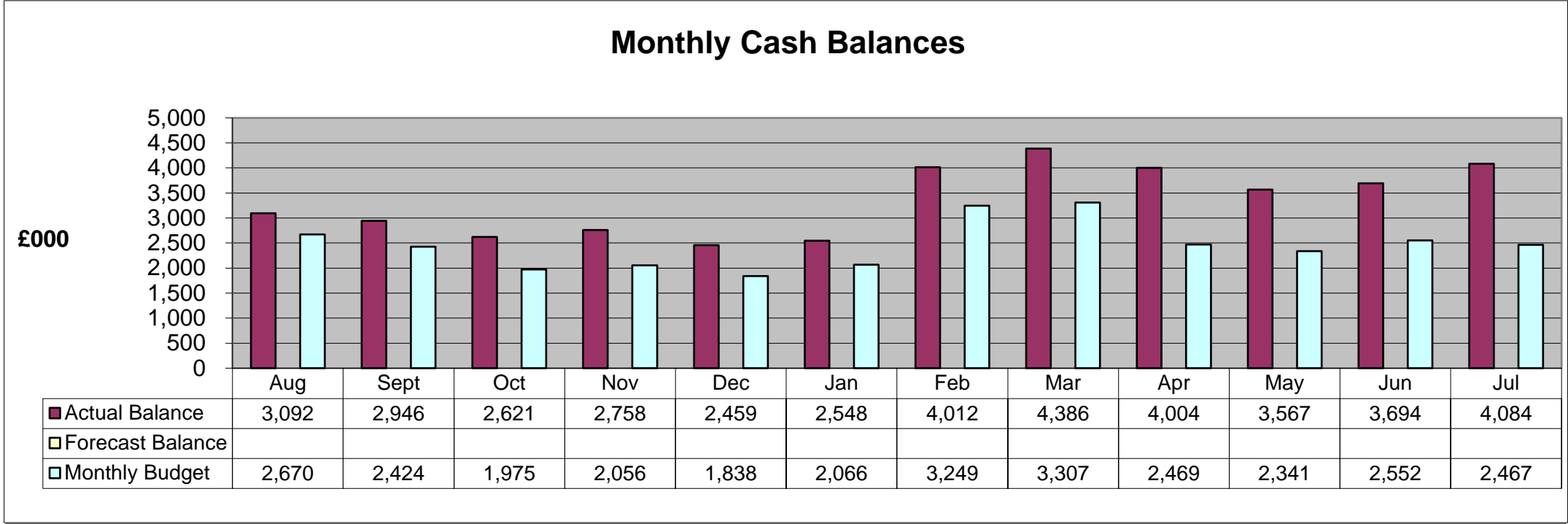
Report Para.

	Year End		
	Forecast	Budget	Variance
Income			
Recurrent Grant In Aid	7,998	7,821	177
Other Grants	420	250	170
Unitary Charge Grant	4,696	4,693	3
UHI HE Grants	4,572	4,476	96
Fees & Charges	3,205	3,264	(59)
Student Support Funds	2,257	2,384	(127)
HE Discretionary Fund	59	70	(11)
EMA Funding	116	97	19
LEC Contracts	467	411	56
ESF Funds	138	63	75
Other Income	3,651	2,957	694
	27,579	26,486	1,093
Expenditure			
Staff	14,515	14,241	(274)
Pension Costs	96	96	-
Creditors	4,984	4,692	(292)
Unitary Charge payments	4,566	5,014	448
Student Support Funds	2,002	2,376	374
HE Discretionary Fund	95	70	(25)
EMA Student Maintenance	102	107	5
Inter Account Transfers	-	-	-
Other	860	1,118	258
Bank Interest	-	-	-
	27,220	27,714	494
Net Income (Expenditure)	359	(1,228)	1,587
Opening Bank Balance	3,725	3,695	30
Closing Bank Balance	4,084	2,467	1,617

17

Cashflow

Year 2017/18
Month July



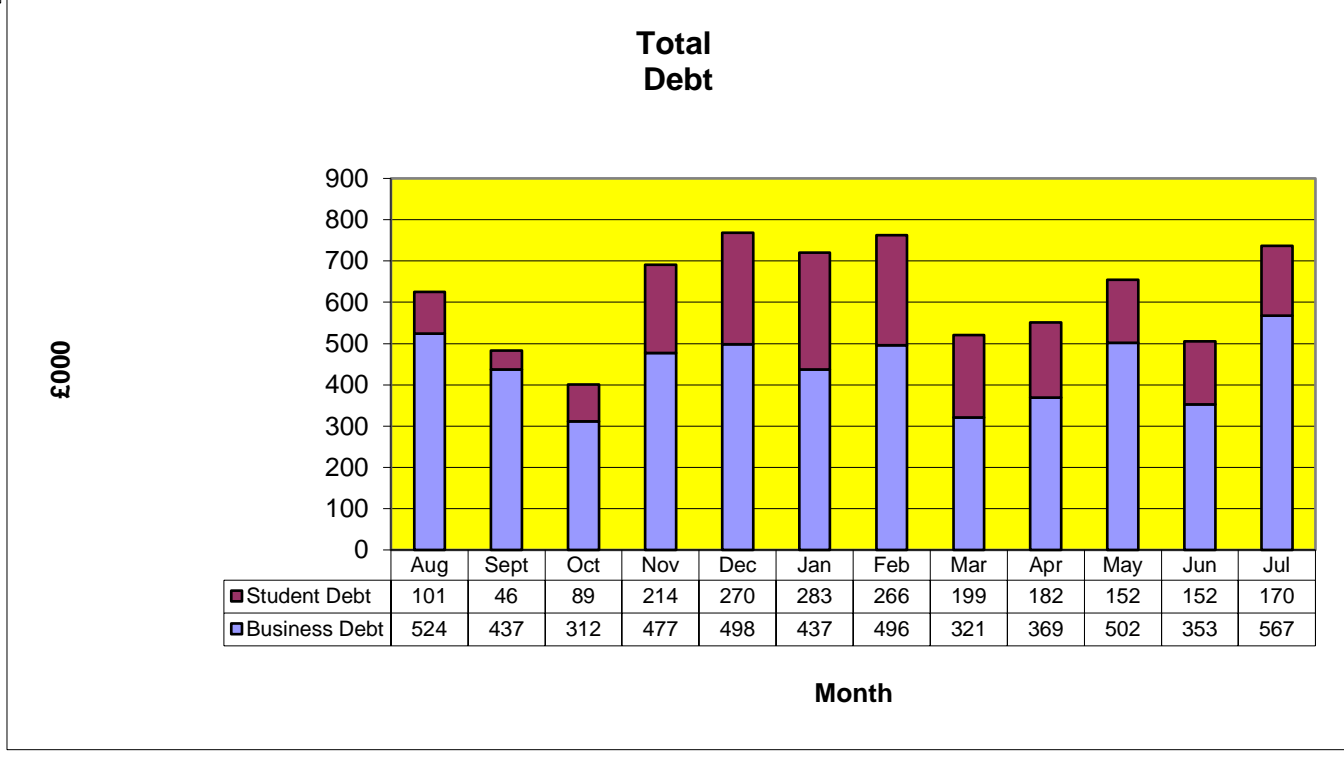
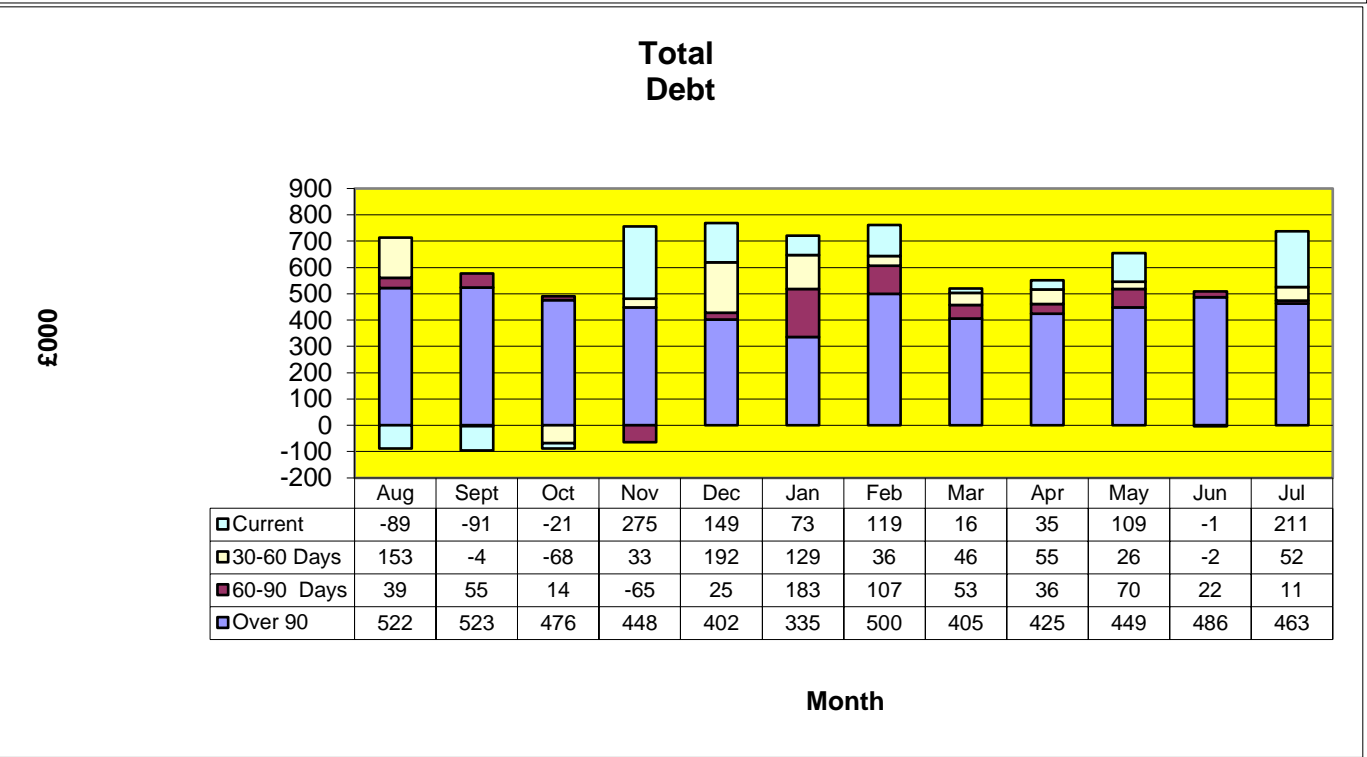
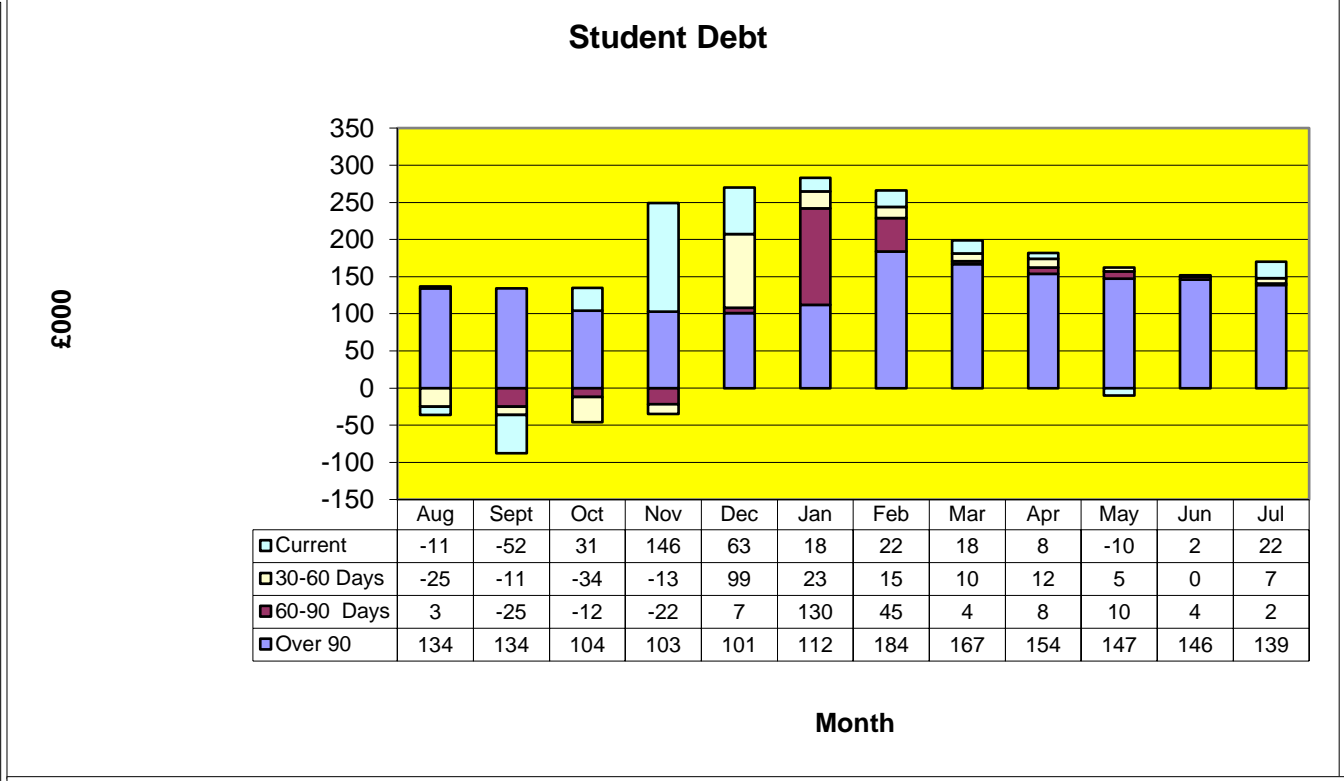
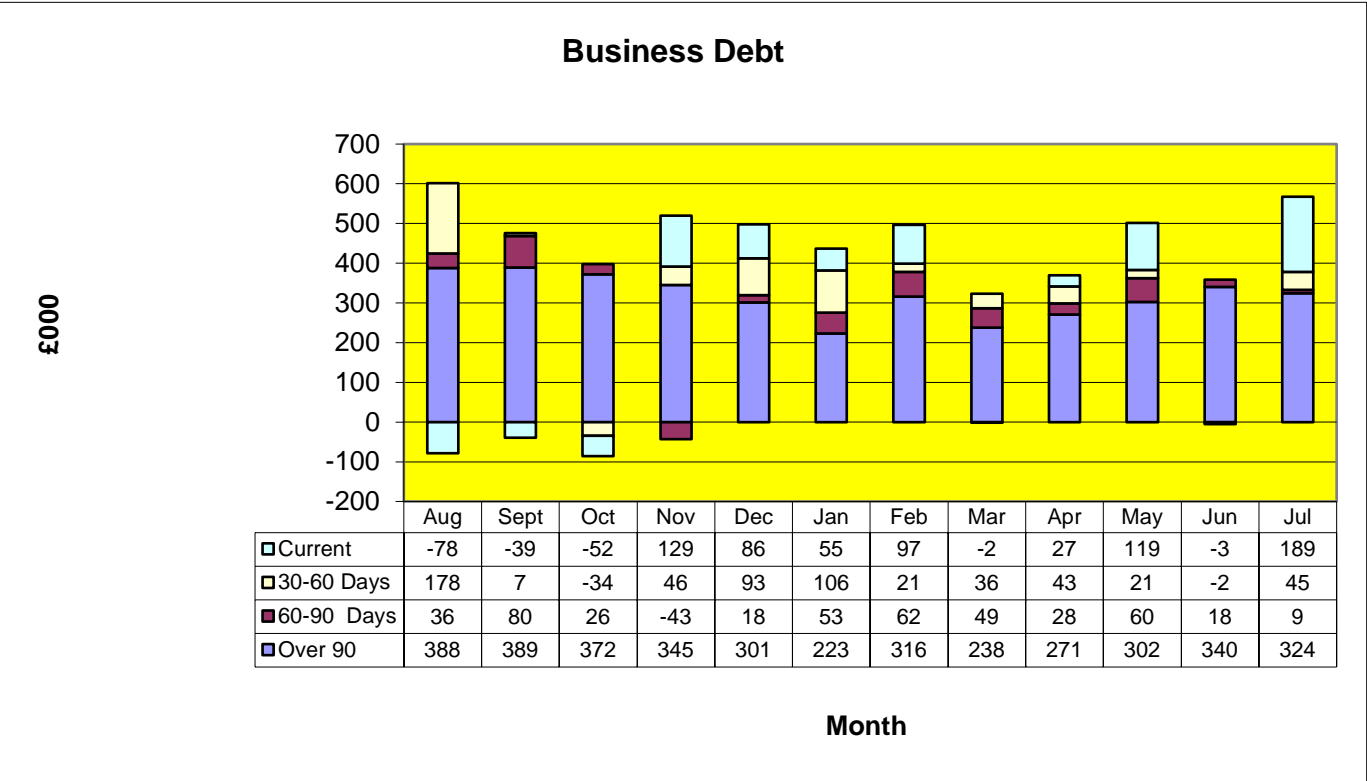
INVERNESS COLLEGE

FORECAST CASH FLOW - 12 MONTHS - AUGUST 2017 TO JULY 2018

			Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual				Movement				
Report Para.			AUGUST	SEPT	OCT	NOV.	DEC	JAN	FEB	MARCH	APRIL	MAY	JUNE	JULY	TOTAL	Budget	Variance	since LM			
OPENING BALANCE	Current	14	3,725	3,092	2,946	2,621	2,758	2,459	2,548	4,012	4,386	4,004	3,567	3,694	3,725	3,695	30	0			
	Deposit		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
	Total		3,725	3,092	2,946	2,621	2,758	2,459	2,548	4,012	4,386	4,004	3,567	3,694	3,725	3,695	30	0			
INCOME																					
Recurrent Grant (SFC)	5,619		-	600	500	990	941	930	134	959	40	525	1,000	1,379	7,998	7,821	177	0			
Other Grants (SFC) excl unitary charge	400		-	81	20	50	20	20	80	67	42	20	-	20	420	250	170	40			
Unitary Charge (SFC)	3,922		436	387	387	387	390	387	387	387	387	387	387	387	4,696	4,693	3	(3)			
UHI HE Income	4,051		335	345	378	396	381	395	395	395	768	263	486	35	4,572	4,476	96	26			
Tuition Fees & Charges	2,998		76	101	89	52	47	70	2,218	138	143	64	82	125	3,205	3,264	(59)	65			
Student Support Funds	1,839		95	230	230	230	200	150	91	193	200	220	208	210	2,257	2,384	(127)	0			
HE Discretionary Fund	59		-	44	-	1	-	-	-	-	14	-	-	-	59	70	(11)	0			
EMA Funding	99		25			4	14	9	16	20	-	11	9	8	116	97	19	8			
LEC contracts	455		36	40	50	52	69	16	31	133	16	12	10	2	467	411	56	(23)			
ESF funds	74		74								-		44	20	138	63	75	20			
Other Income	2,984		285	224	197	306	188	184	419	488	308	385	298	369	3,651	2,957	694	219			
TOTAL INCOME			1,362	2,052	1,851	2,468	2,250	2,161	3,771	2,780	1,918	1,887	2,504	2,575	27,579	26,486	1,093	352			
Transfers to and (from) deposit Account			0	0	0					0			0	0	0	0	0	0			
EXPENDITURE																					
Staff Costs	12,006		1,154	1,125	1,156	1,202	1,222	1,203	1,185	1,230	1,270	1,259	1,249	1,260	14,515	14,241	(274)	(10)			
Pension costs	80		8	8	8	8	8	8	8	8	8	8	8	8	96	96	0	0			
Creditor payments	4,039		372	416	344	409	596	206	446	481	393	376	478	467	4,984	4,692	(292)	(17)			
Unitary Charge payments	3,782		409	385	406	360	365	346	369	379	381	382	394	390	4,566	5,014	448	65			
Student Support Funds	1,828		-	190	194	212	267	191	202	200	179	193	173	1	2,002	2,376	374	(1)			
HE Discretionary Fund	89		-	1	7	17	7	9	13	14	11	10	5	1	95	70	(25)	(1)			
EMA Student Maintenance	89		-	4	14	8	16	5	12	13	9	8	13	-	102	107	5	0			
Inter account transfers	0		-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	0			
Other	745		52	69	47	115	68	104	72	81	49	88	57	58	860	1,118	258	52			
Bank Interest Payable	0		-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	0			
TOTAL EXPENDITURE			1,995	2,198	2,176	2,331	2,549	2,072	2,307	2,406	2,300	2,324	2,377	2,185	27,220	27,714	494	88			
Actual Monthly Movement			(633)	(146)	(325)	137	(299)	89	1,464	374	(382)	(437)	127	390	359	(1,228)	1,587	440			
Budget Monthly Movement																					
CLOSING BALANCE	Current	17	3,092	2,946	2,621	2,758	2,459	2,548	4,012	4,386	4,004	3,567	3,694	4,084	4,084	2,467	1,617	440			
	Deposit		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0			
	Total		3,092	2,946	2,621	2,758	2,459	2,548	4,012	4,386	4,004	3,567	3,694	4,084	4,084	2,467	1,617	440			
Cumulative Budget position																					

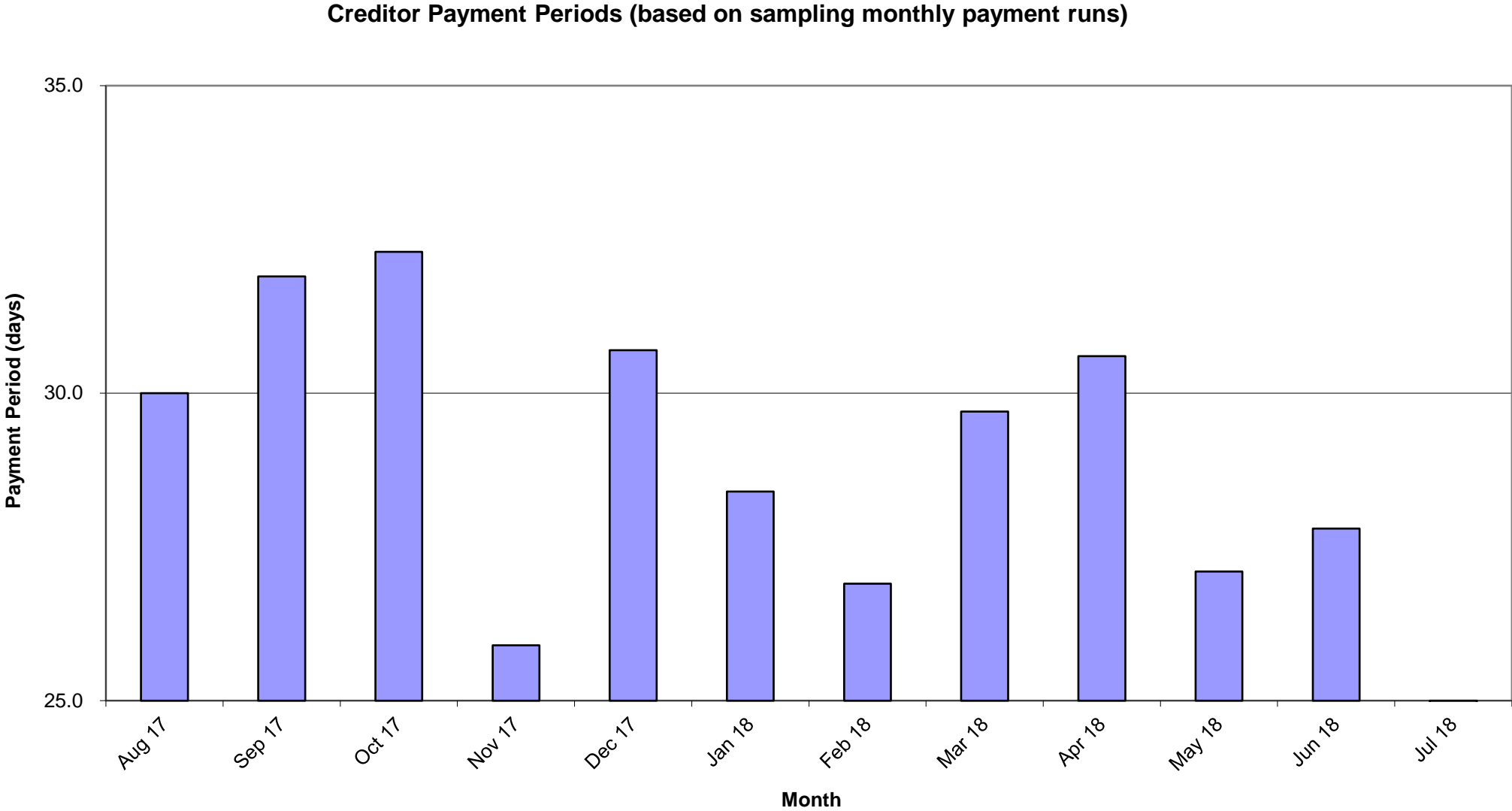
Debtors

Year 2017/18
Month July



Creditors

Year 2017/18
Month July



Year 2016/17
Month July 2017

Income and Expenditure Report

		Year End		
		Forecast	Budget	Variance
Income				
	Grants	12,537	12,669	(132)
	Unitary Charge	4,695	4,635	60
	Student Support Funds	2,337	2,224	113
	Fees	3,341	3,143	198
	Project Funding	391	400	(9)
	Other Income	2,379	2,404	(25)
	Deferred Grant	962	2,119	(1,157)
		26,642	27,594	(952)
Expenditure				
	Staff	13,785	13,757	(28)
	Other Staff	239	282	43
	Property	1,006	1,175	169
	Unitary Charge	4,098	4,114	16
	Transport	89	83	(6)
	Supplies	3,949	3,780	(169)
	Student Support Funds	2,421	2,224	(197)
	Depreciation	1,827	2,179	352
		27,414	27,594	180
Net Operational Surplus (Deficit)		(772)	0	(772)

Cash Flow Analysis

		Year End		
		Forecast	Budget	Variance
Income				
	Recurrent Grant In Aid	7,742	7,446	296
	Other Grants	425	328	97
	Unitary Charge Grant	4,679	4,626	53
	UHI HE Grants	4,516	5,174	(658)
	Fees & Charges	3,343	3,071	272
	Student Support Funds	2,385	2,224	161
	LEC Contracts	500	400	100
	ESF Funds	188	-	188
	Other Income	5,228	2,120	3,108
		29,006	25,389	3,617
Expenditure				
	Staff	13,568	13,880	312
	Pension Costs	96	96	0
	Creditors	4,902	4,858	(44)
	Unitary Charge Payments	4,925	4,974	49
	Student Support Funds	2,140	2,260	120
	Inter Account Transfers	-	-	0
	Other	3,003	185	(2,818)
	Bank Interest	-	-	0
		28,634	26,253	(2,381)
Net Income (Expenditure)		372	(864)	1,236
Opening Bank Balance		3,326	3,326	0
Closing Bank Balance		3,698	2,462	1,236

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:	27 September 2018
Date Paper prepared:	19 September 2018
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.)			

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

Capital Expenditure Monitoring 2018/19 to July 2018

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.

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

Position as at 31 July 2018

The table below shows the position as at 31 July 2018.

	2018/19 Allocation	July 2018 Position	Uncommitted
	£	£	£
ICT Equipment	63,940	-	-
Buildings	261,044	98,895	15,117
	324,984	98,895	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.

Board of Management

Subject/Title:	Estates Strategy Review of Progress
Author: [Name and Job title]	Lindsay Ferries, Director of Organisational Development
Meeting:	Finance and General Purposes Committee
Meeting Date:	27 September 2018
Date Paper prepared:	24 September 2018
Brief Summary of the paper:	Brief update on Progress
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 / 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]			
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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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Estates Strategy Review of Progress

Executive summary

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

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

The Estates Strategy has been developed in a way which is consistent with the College's Strategic plan – and in particular Financial Strategy and Curriculum Plans (in the overall regional context).

The aim of the Estate Strategy is to:

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

Key developments over the last 12 months include:

Carbon Management Plan

Our Objective is that by 2020, Inverness College UHI will :

- reduce waste by 10% per staff member and student.
- recycle 95% of the remaining waste.

reducing, re-using and recycle being our mantra.

Contributing to a healthier, more efficient and effective organisation and way of life.

A project plan is attached and this is being led through a LEAD project by our procurement officer.

Capital Projects

In 2017/18 the estates team facilitated three in-house capital projects. All are now complete and in full operation. For 2018/19 The estates team have two main projects; refurbishment of Scottish School of Forestry tractor shed and Longman demolition support.

- The recladding of Scottish school of forestry tractor shed – Removal of asbestos side and roof sheeting to convert the building into a more useful teaching area. Construction will start on 2nd July completion planned for mid-September 2018.
- Support the demolition of Longman campus. This project has been more of a supporting role for the main Project Manager Gardiner and Theobald. This will progress with the appointment of a preferred demolition contractor. This has included facilitating controlled access to the site, preparation and progression of service disconnections and managing site security until handover to the demolition contractor. Project plan is for this site to be clear by October/November 2018.
- We have a number of preparation projects also running to establish feasibility and costings for future modifications of both sites to maximise class sizes and flexibility as the college curriculum changes in future years.

Contract Management - GTFM

On review of current performance of GTFM our Hard FM provider we identified a number of opportunities for improvement. The college has been using finance pressure to focus GTFM to provide a contract compliant service to the college in line with the expected standards. This has been effective in speeding up responses to reactive maintenance and closing off of helpdesk tickets.

This focus is on the following areas:-

- PPM statutory inspection Audits.
An Initial audit was undertaken by the college in December 2017. With 2 follow up audits required to confirm that all statutory inspections and maintenance requirements were being undertaken. The initial audit system highlighted a number of failures with general preventative maintenance not being completed, poor or no

schedules. GTFM have now updated all their PPMs and will be subject to independent audit by GTEIL in July.

A joint weekly PPM audit is carried out every Friday to ensure ongoing compliance.

- Weekly joint site inspections. – Campus inspection.
- Long Term issues – Are now being addressed under the monthly Campus Technical meeting. Good progress has been made on a number of issues such as room temperature control and high water temperatures.

Contract Management – Soft FM

Soft FM contracts are issued and managed by the estates campus team. The estates team have worked closely with the procurement team to align ongoing contractors to the national framework agreements. This has given a much more consistent approach:-

- Cleaning contract. Monthly contractor meetings were re-introduced and new contract audits have been undertaken by the contractor. This approach gives the college clear evidence of contractor performance monitoring. Contractor has introduced a number of changes to work zones and staff rotation following these reviews. Customer satisfaction surveys have also been launched to obtain the voice of the customers. Action plans have been drawn up to improve any shortfalls. Following these improvements the current contract holder has been rewarded a contract extension of one year.
- Catering and hair & beauty Group 2 equipment PPM contracts have been established. This has brought a number of separate companies undertaking corrective and preventative maintenance to a single source. PPM schedules have been agreed and monthly review meeting planned.
- Winter Gritting and snow clearing set up in October 2017. This went well with good communication systems set up over the winter period. Some initial issues were addressed quickly by the contractor. A wash up meeting is planned at the end of May to review performances and any lessons learned to be built into the 2nd contract year.
- Waste management and PAT testing contracts are now ready for awarding following framework contract procedures.

All other soft FM including grounds maintenance is undertaken in house.

College HelpDesk Development

The estates service desk portal was introduced in August 2017. This has been a significant development in capturing helpdesk requests and follow through back to the customer. All Estates requests can now be monitored to look at completion rates, duration ticket are open and prioritised.

Improvements include:-

- Tickets can now be assigned to individual officers.
- Weekly schedule is now being drawn up with time allocations.
- Customer is informed of any updates to their ticket.

Next stage of development includes working with ICT and a number of other members of UHL to develop a new help desk system. This will allow better planning of PPM and customer support tasks.

Estates PM Schedule

Thought the year the Estates officers have been undertaking more PM inspections for group 2 assets and the nursery and eblock at the SSF. All safety inspections have been scheduled for the summer recess as they are primarily being undertaken by external contract due to specialist skills.

Team Development

On review of the department in October 2017 we identified a number of areas to work on to improve our service. By using the new mission statement we have identified the following areas.

- Planning
- Helpdesk management
- Contract Management
- Communication

The first three have already been covered within the paper. The fourth communication is a key aspect of how the estates team moving forward at all levels.

- SMT – I have taken the opportunity within the Operational Management Group meeting to update estates progress with Capital plans, helpdesk changes and GTFM performance.
- GTFM / IC Monthly meeting were focussed on ongoing GTFM failures. The meeting has been developed so GTFM progress is charted on completion rates. IC are now presenting more detail on Projects, helpdesk performance and contract management.
- Weekly planning meeting have been established where PM, Events and helpdesk task are assigned and a schedule developed.
- The weekly inspections between GTFM and the campus team has given an opportunity for feedback on particular tasks. But more importantly it is being used for setting standards by both teams.
- Standard Operating Procedures are in development to ensure clarity and consistency.

In Summary

We continue to work hard with our FM provider and cleaning contractors to ensure the optimum hard maintenance and soft servicing of our premises. Contract compliance is now moving to a position of contract performance and we are seeing green shoots of improvement. This recognised through a reduced number of reactive helpdesk requests and quicker turnaround times.

Inverness College UHI Waste Reduction Initiative Campaign

6 Month Look-Ahead Plan



Line ID	Activity	By	Month / Week Commencing			July					August				September				October					November				December				
			Duration	Start	Finish	2	9	16	23	30	6	13	20	27	3	10	17	24	1	8	15	22	29	5	12	19	26	3	10	17	24	31
	Strategic Activities																															
1	Monthly progress update meeting with Lindsay Ferries plus updates for SMT / OMG / IConnect / Display Monitors / Electronic News Letter / Bulletins etc.	LF / DC ID / MK	Ongoing	20-Aug-18	Ongoing								LF				LF				LF					LF				LF		
2	Develop Short Term Strategy + Vision Statement	DC	3 Weeks	06-Aug-18	24-Aug-18						Complete																					
3	Develop Long Term Strategy + Sustainability Vision Statement	DC		01-Oct-18	29-Oct-18																											
4	Set up regular team meetings	DC / ID / MK	Ongoing	06-Aug-18	Ongoing																											
5	Set up Waste Reduction Challenge Month and agree on events	ID / DC / MK	6 Weeks	06-Aug-18	14-Sep-19																											
6	Develop and target key waste streams including metal and grass etc.	MK	2 Weeks	06-Aug-18	17-Aug-18																											
7	Identify cost saving opportunities per waste streams	MK	2 Weeks	06-Aug-18	17-Aug-18																											
8	Supplier engagement to support campaign - NRS, GTFM, Mears etc.	Mk	2 Weeks	06-Aug-18	17-Aug-18																											
9	Develop Communication Plan to include IConnect, Staff, Students, MyDay, College Web Site, UHI, HIE, Other Web Sites, Blog Site Yammer, Twitter, Facebook, LinkedIn, Instagram, YouTube, ICOA etc.	LF / DC ID / MK	4 Weeks	20-Aug-18	14-Sep-18																											
10	Identify support requirements both internal and external from department heads, staff, students, suppliers, Case Studies, Zero Waste Scotland, Scottish Government etc.	LF / DC ID / MK	4 Weeks	20-Aug-18	14-Sep-18																											
	Specific Activities - Stop wasting, start saving																															
11	Save energy, reduce waste, record savings																															
12	Working to reduce food waste - supporting the Scottish Government’s target of reducing food waste by 33% by 2025																															
13	Waste Management - working towards a litter-free Inverness College Campus and associated facilities - plan to change the behaviour that causes a mess!																															
14	The circular economy - where everything has value and nothing is wasted. It’s about new business models, products designed with their whole life cycle in mind, remanufacturing and reprocessing to create new products from old, and re-using and repairing – all to keep products and materials in the economy for as long as possible																															
15	Travel - planning, costs, hotels etc.																															
16	Carbon Management - reduce carbon footprint - addressing the challenges of climate change and to investigating ways to reduce CO2 emissions																															
17	Healthy Campus - Stainability of a healthy campus (Evelyn Campbell)																															
18	Remove all non-compostable plastics from the College waste in the catering areas																															
19	Paper waste, to be reduced considerably and linked to targets set for reduced printing																															
	Event Planning Programme July to December 2018																															
20	July - Introduce the end of single use plastic bags and straws	ID	1 Month	01-Jul-18	31-Jul-18	Complete																										
21	August - Introduce new Waste Stations - bins, signage, posters, bin liners and promote compostable items for disposal	MK/ID DC/NRS	1 Month	01-Aug-18	31-Aug-18						Complete																					
22	September - Implement the Communication Plan to include IConnect, Staff, Students, Myday, College Web Site, UHI, HIE, Other Web Sites, Blog Site Yammer, Twitter, Facebook, LinkedIn, Instagram, YouTube, ICOA etc.	LF / DC ID / MK	1 Month	01-Sep-18	30-Sep-18																											
23	October - Waste Reduction Challenge Month (Details to Follow)	MK/ID DC/NRS	1 Month	01-Oct-18	31-Oct-18																											
24	November - Vegware Disposal Presentation and Q&A Session	ID	1 Month	01-Nov-18	30-Nov-18																											
25	December - TBC																															

Board of Management

Subject/Title:	ICT Strategy Review of Progress
Author: [Name and Job title]	Lindsay Ferries, Director of Organisational Development
Meeting:	Finance and General Purposes Committee
Meeting Date:	27 September 2018
Date Paper prepared:	24 September 2018
Brief Summary of the paper:	Brief update on Progress
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 / 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		
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ICT Strategy Review of Progress

Executive summary

The Information, Communication and Technology (ICT) Strategy supports the Inverness College Strategic Plan 2017 to provide ICT solutions and services across Inverness College UHI that are responsive to students, staff and the wider community.

The scope of the ICT Strategy 2017-2020 is developed under the following key principles

- Customer-focused service;
- Enabling and innovating;
- Work in partnership;
- Centre of excellence;
- Effective and sustainable use of resources;
- Information security & accessibility.

The strategy is cognisant of the Scottish Government McClelland Review of Public Sector ICT, the Further and Higher Education ICT Strategy and the UHI ICT Strategy 2015-2020.

The ICT Strategy aims to deliver modern fit-for-purpose ICT solutions for learning, teaching, research and the wider community; to provide the College the tools and services expected in the state of the art new campuses at Inverness Campus and the Scottish School of Forestry.

Key achievements over the last 12 months include:

Customer-focused service

The ICT Project Officer has taken a leading role in both expanding the existing helpdesk software to other teams (such as Estates, Front of House and Staff Development) to provide better communication and status update on requests as well as working with the UHI LIS team on a new helpdesk software to help drive a better customer experience. Such as online chat, knowledge base for common queries, better problem management of common issues and asset management.

Enabling and Innovating

The ICT Service Manager has taken the lead role in procuring a new wireless network solution across the UHI which is being beginning to be implemented later this year. To provide a solution that can be supported pro-actively, allow more services to be provided wirelessly and develop bring your own device solutions further within the College. The Wi-Fi should no longer be a limitation, but instead be a facilitator of change and innovation within the UHI. Such as allowing a development of the pilot for Bring Your Own Device in the LRC and exploring how this can be used more widely across the College to enhance the learning and teaching experience.

The ICT Services team are continually looking to learn and develop with solutions put in place to automate common tasks where possible. Such as automating a joiners, movers and leavers process to inform key staff on whether to provide or revoke access as required and providing automated alerts on the failure of key ICT equipment. The team

also created a cartoon of key messages to provide a more engaging way to inform students how to access and use key services.

Work in Partnership

The ICT team have leading roles across a wide range of projects. As well as those mentioned above the Systems Developer is chairing the SCCM working group, the ICT Technician Team Leader has a lead role in telephony and printing developments as well as the ICT Technicians having helped deploy solutions across UHI, resolve issues widely as well as sharing best practice and with colleagues. The ICT Project Officer has also been visiting other Colleges to learn and share best practice in ICT services delivery and the ICT Technician Team Leader attended a technical conference to learn from other education colleagues and solution providers.

Within the College, the team continue to take a lead role in developments, with the ICT Project Officer leading a programme of work over the summer including the successful move of the Skillzone.

Centre of Excellence

The team are also now all ITIL Foundation certified having knowledge of the full service management lifecycle. In addition, all staff in the team with administration privileges are now Microsoft Security Essentials Certified. The ICT Services Manager is looking to develop our training and staff development initiative more widely into a UHI wide framework across the full range of ICT services.

The team have also introduced Agile development best practice to have a shared work queue for both requests and new initiatives, allowing focused work in two-week periods with a shared understanding of the priorities and goals.

The ICT Steering Group has also developed this year with new academic staff members joining and a new chair to focus more on what the College needs to do to meet the challenges ahead. Such as focusing on digital skills, sharing best practice and maximising resources to enable better learning and teaching.

Effective and Sustainable Use of Resources

Low power desktop devices continue to be deployed across the College replacing older devices, which in turn reduces the power cost of using PC equipment. Work has also been done to more effectively power down and “wake up” devices across the network to allow updates and installation to happen at non-peak times.

The team also jointed a Scotland wide education procurement for desktops and laptops, helping evaluate equipment in order to get our lower power desktop requirements included within the scope and available cost-effectively.

The ICT Communications rooms air conditioning is also being reviewed to potential save the electricity costs from keeping at an unnecessary low temperature

Information security & accessibility

The last year has been very focused on information security within the College to address the Scottish Government Cyber Resilience initiative. With the key aim for the UHI to be Cyber Essential Plus certified this year. A lot of work has been done without impacting

students, staff or researchers to ensure our infrastructure continues to meet best practice for resilience and security.

Training and communication on best practice continues to be a priority, such as focusing training on system owners across the College to highlight their responsibilities in managing access. All staff are required to do mandatory training which has been updated this year to be more engaging and include more information on GDPR.

Board of Management

Subject/Title:	Business Development Strategy Review
Author:	Georgina Parker, Director of Business Development
Meeting:	Finance & General Purposes Committee
Meeting Date:	28 September 2018
Date Paper prepared:	18 September 2018
Brief Summary of the paper:	<ul style="list-style-type: none"> • This paper provides a review of performance against the Business Development Strategy • The strategy contained five performance indicators. Progress against these in 2017-18 was as follows: • Commercial course income year on year: <ul style="list-style-type: none"> ○ An estimated £469K income was achieved in 2017/18 against £286K in 2016/7. An increase of £183K. £217K related to the new FWDF funding stream. Note: Estimates are based on extrapolated commercial income and costs, together with actual FWDF income. • Margin on commercial course income: <ul style="list-style-type: none"> ○ Estimated income (based on an extrapolation of April monitoring report and actual FWDF income) resulted in a margin of £196K in 2017/18 against £33K in 2016/17. An estimated increase of £166k. However, this does not include any associated FE credit income. ○ International Short Course income increased from £46K in 2016/7 to £108K in 2017/18. • Modern Apprenticeship Contract Value and Volume: <ul style="list-style-type: none"> ○ Modern Apprenticeship SDS contract performance for 17/18 was £462,783, an increase of 15% on 2016/7. This figure does not include the associated SFC income. ○ Modern Apprenticeship contract starts have increased by 30% in 2017/18 • Modern Apprenticeship success rates: <ul style="list-style-type: none"> ○ MA Success Rates increased from 66.7% in 2016/7 to 73.2% in 2017/8 • Employer Satisfaction Rating: <ul style="list-style-type: none"> ○ A survey is due in October to measure performance. This is likely to be negatively affected by issues with Engineering MA delivery in 2017/18.
Action requested: [Approval, recommendation, discussion, noting]	The committee is requested to discuss the business development strategy review 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 	Compliance: <ul style="list-style-type: none"> • SDS audit • SFC audit • UHI audit re. FWDF New opportunity: <ul style="list-style-type: none"> • Additional FWDF funding (150% in 2018/9) • Growth in Modern Apprenticeship contract • Opportunity to contract directly for CITB MAs.

<ul style="list-style-type: none"> • strategic plan • new opportunity/change 	Risk Management: <ul style="list-style-type: none"> • UHI regional contract • Performance issues in Engineering • Delays in implementation of restructure
Resource implications:	Yes / No If yes, please specify:
Risk implications:	Yes / No If yes, please specify: Operational: <ul style="list-style-type: none"> • Staff resource issues Organisational: <ul style="list-style-type: none"> • Reputations issues regarding MA Engineering delivery 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)
Its disclosure would constitute a breach of the Data Protection Act (S38)	Other (please give further details)
For how long must the paper be withheld? (express either as the time which needs to pass or a condition which needs to be met.)	

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

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

1. Business Development Strategy Review

The business development strategy set out 5 strategic objectives. There has been good progress in delivering the associated performance indicators, as outlined in the executive summary on page 1. Information relating to the performance against 5 strategic objectives is outlined below:

1.1 To inform the continued development of the College's curriculum to meet the needs of business:

- 1.1.1 Liaison with employers has improved since the introduction of an account management model, implemented by the Business Solutions team. This provided a single point of contact for employers wishing to engage with the College.
- 1.1.2 Increasingly strategic relationship development with business have resulted in the development of a range of new qualifications in 2017/18 including: 7 new MA frameworks; train-the-trainer qualifications; specialist saw doctoring units and a range of business related courses. This has only been possible through the support of curriculum colleagues and PDMs.
- 1.1.3 Sector Development Plans are being completed in consultation with each curriculum area and have so far resulted in the identification of demand and successful development of programmes such as Prince 2 project management, CISCO vendor qualifications and specialist MA frameworks in areas such as Cyber Security and timber engineering.
- 1.1.4 An increasing number of training programmes are now delivered as 'roll-on-roll-off', providing the multiple entry points that employers demand and would have only previously received by contracting with private training providers. This has been supported by curriculum colleagues and PDMs.
- 1.1.5 An area for further development is to increase the support from Marketing and Communications to promotion the College's services to business.

1.2 To be the training and education provider of choice in Inverness and the Highland region.

- 1.2.1 The surprise introduction of Flexible Workforce Development funding in 2017/18, supported exponential growth in short course income. Business Solutions staff quickly located levy paying employers to secure bids for around 44% of the entire UHI regional funding allocation and worked with curriculum teams and PDMs to plan and coordinate delivery.
- 1.2.2 Our MA contract for starts increased by 30% over the last two years. Over the same period, two competitor private providers have withdrawn from the region.
- 1.2.3 Modern Apprenticeship SDS contract value for 17/18 was £462,783, an increase of 15% on 2016/7. This does not include the associated SFC income.
- 1.2.4 The regionalisation of the UHI contract provides economies of scale and allows for increased responsiveness to employer needs, with partners able to swap out starts to meet demand rather than waiting for SDS reconciliation points.
- 1.2.5 ICUHI operated as a sub-contractor delivering learning to 518 MAs in 2017/8 for CITB, SECTT and SNIPEF. Approximately 30% of the SDS

funding rate is paid to ICUHI for this delivery. The Director of Business Development, supported by the SMT, is working with the college sector to put an end to the current monopolies and move towards direct contracting.

- 1.2.6 An area for further development is to maximise our use of CRM. We plan to move to the UHI CRM by the end of the year and to extend the use of CRM to curriculum colleagues, who undertake significant employer engagement in their own roles.

1.3 To grow and diversity the College's funding for training, education and research.

- 1.3.1 As described above, funding for training and education has grown in 2017/18 particularly in terms of MA, FWDF and international short courses. However, despite many proposals for KTP activity, none have yet been successful. There is an outstanding proposal to BSW which looks likely to convert. The College's limited number of Masters and Doctorate qualified staff is a limiting factor here, as KTPs require supervision by College staff.
- 1.3.2 Partnerships with funding and referral agencies has improved, in particular with SDS who now see us as a more relevant training provider following our successful pitch to Cap Gemini.
- 1.3.3 An area for improvement is the need to maximise opportunities to engage employers with the wider apprenticeship family, including FA and MA. Plans are in place to clarify roles to support this.
- 1.3.4 Employability funding has been reduced across Scotland and Colleges' access to this funding is limited, particularly in and around Inverness where unemployment is very low.

1.4 To maximise commercial and community engagement with the college

- 1.4.1 A range of sector events has been undertaken and more are planned. The College estate provides an excellent venue for events. There have been over 246 events in 2017/18 compared to 208 in 2016/17.
- 1.4.2 Social and digital media capability has increased following the introduction of the Marketing and Communications Officer. This was achieved, at no additional costs, through ending the outsourced PR contract.
- 1.4.3 Links with community representative bodies and external agencies has been improved, including participation in a range of Highland Council led groups. The Prince's Trust Programme Pilot supported broader community engagement via community projects, volunteering and liaison with supporting organisations such as Barnados. Other SMT colleagues represent the College at community planning partnerships.

Board of Management

Subject/Title:	Marketing & Communications Strategy Review
Author:	Georgina Parker, Director of Business Development
Meeting:	Finance & General Purposes Committee
Meeting Date:	28 September 2018
Date Paper prepared:	24 September 2018
Brief Summary of the paper:	<ul style="list-style-type: none"> This paper provides a review of the Marketing & Communications Strategy The strategy contained five performance indicators. Progress against these in 2017-18 was as follows: <p>Meet Student Application targets:</p> <ul style="list-style-type: none"> FE total enrolments for 2017/18 was reported as 29,541 credits as at end of August, which is 100.1% of target The PPF target for 2017/18 for IC UHI undergraduate students (excl. PGDE) with a fee status of Scottish or European is 1,595.4 FTE. As at 2nd September the FTE, counting by module attachments was 1,610.2 FTE, 100.1% of target <p>Meet annual commercial course income targets</p> <ul style="list-style-type: none"> Commercial/short course income targets were exceeded. Estimated out-turn was £469K against a budget of £296K (including £217K FWDF). <p>Increased income from International Activity:</p> <ul style="list-style-type: none"> International commercial income increased from £46K in 2016/17 to £108K in 2017/18, an increase of 235%. There has been no increase in International students <p>Increased quantity and value of events annually</p> <ul style="list-style-type: none"> Approx. 70 press releases issued in the current academic year resulting in 428 mentions across newspapers and television. <p>Increased social media engagement:</p> <ul style="list-style-type: none"> EDURANK we were ranked 7th in UK and Ireland (Colleges). 7 out of 466 colleges in the UK and Ireland for our marketing and social media performance. Facebook followers increased by almost 20%. Twitter followers increased by 15%. We consistently perform well above the sector benchmark for posts, reactions, comments, shares and engagements <p>Increased number and value of events annually</p> <ul style="list-style-type: none"> 246 events were hosted and facilitated in 2017/18, an increase of 18% on the 208 vents hosted in 2016/17 (an event is defined as involving 20 or more people, including externals) Income however reduced by £6K over the same period, due to a decrease of £11K in hospitality income as two non-annual large conference events inflated this figure in 2016/7. <p>Increased research income annually:</p> <ul style="list-style-type: none"> Need a figure here.
Action requested: [Approval, recommendation, discussion, noting]	The committee is requested to discuss the business development strategy review 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 	Partnership services: <ul style="list-style-type: none"> • During 2017/18, the Marketing & Communications Managers has been temporarily covering the role of Communications Manager at UHI. Risk Management: <ul style="list-style-type: none"> • Reputational: there have been no major PR incidents in 2017/18. New opportunity: <ul style="list-style-type: none"> • Opportunities exist to further strengthen marketing and communication across UHI, for the benefit of all partners. The Manager's part secondment to UHI has already proven to be of use here. • Heidi plus system data, together with the curriculum review will enable scarce resources to be more targeted. 		
Resource implications:	Yes / No If yes, please specify:		
Risk implications:	Yes / No If yes, please specify: Operational: <ul style="list-style-type: none"> • Increase in staff resources arising from Manager's secondment. These are fully covered by funding provided by UHI. 		
Equality and Diversity implications:	Yes/No If yes, please specify:		
Consultation: [staff, students, UHI & Partners, External] and provide detail			
Status – [Confidential/Non confidential]	Non confidential		
Freedom of Information Can this paper be included in "open" business* [Yes/No]	Yes		
*If a paper should not be included within "open" business, please highlight below the reason.			
Its disclosure would substantially prejudice a programme of research (S27)		Its disclosure would substantially prejudice the effective conduct of public affairs (S30)	
Its disclosure would substantially prejudice the commercial interests of any person or organisation (S33)		Its disclosure would constitute a breach of confidence actionable in court (S36)	
Its disclosure would constitute a breach of the Data Protection Act (S38)		Other (please give further details)	
For how long must the paper be withheld? (express either as the time which needs to pass or a condition which needs to be met.)			

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1. Marketing & Communications Strategy Review

The business development strategy set out 5 strategic objectives. There has been good progress in delivering the associated performance indicators, as outlined in the executive summary on page 1. Information relating to the performance against 5 strategic objectives is outlined below:

1.1 To position Inverness College UHI as the provider of choice for high quality tertiary education and training:

- The consistent implementation of the marketing and communications plan, in all aspects of marketing, communications and PR, has supported the development of key messages and the visual identity of the college.
- The brand guidelines have been consistently implemented across the organisation, resulted in recognisable communications and materials. The branding has continued to be developed, including work undertaken by a student intern funded as part of the Manager's backfill by UHI.
- Successful work has been undertaken to ensure that sub-branded areas are aligned with the umbrella Inverness College UHI brand, examples include the rebranding of student support materials.
- The full implementation of the marketing and communications plan has ensured that the position of Inverness College UHI, as an integrated University delivering high quality further and higher education, has been enforced across all communications. Open events have largely focussed on all levels of education, with additional events added for HE and Modern Apprenticeships in-year.
- The Manager's secondment role at UHI and participation in UHI communications meetings has helped to ensure that marketing and communication activities provide clarity on the relationship with UHI and partner colleges.

1.2 To increase student applications and enrolments to meet recruitment targets:

- Marketing plans have been implemented for each curriculum area and the introduction of the Press Data service has enabled more specific targeting of press releases towards relevant industry publications. Further development of this area is required for 2017/19, using Heidi Plus and other market data to inform the curriculum review.
- As shown in the KPI reporting in the summary above, there has been good progress in increasing engagement with potential students, their influencers and other potential customers through digital and social media channels. Our UK and Northern Ireland ranking on Edurank (which ranks colleges and universities' performance in online, social and digital media) increased from 36th to 7th out of 466 colleges. Increased investment is required in video content to maintain and improve our position.
- Application conversion rates have remained static between 2016/17 and 2017/18. Further work needs to be undertaken to understand the background to the data here.
- The International team has developed a range of marketing materials to support the promotion of International Short Course provision, which resulted in

a nomination and second prize at the Herald HE Marketing Awards in 2018. The college is working with UHI to improve the UHI international web presence, including the International Development Exec's part-time secondment to UHI. There is no budget within the Marketing & Communications team to support international marketing.

- We helped promote the new Princes Trust Programme, and showcased the work undertaken by students in the community. We have helped promote the Supported Education programmes and featured student stories. We will soon be launching the students' Health and Happiness videos, promoting what it's like to come to college. We have covered many stories around the Going Higher for Carers award, Charter for Involvement and the Inverness High School transition programme. We have attended a meeting, led by Lindsay Snodgrass, regarding the Gender Action Plan.

1.3 To increase commercial and non-mainstream income

- Successful Modern Apprenticeship promotional events, including Apprenticeship Week, a vocational Open Day and College Expo in Glasgow, led by the Business Solutions Team, resulted in increased MA applications and at least eight new employer customers.
- Summer School activity for international was promoted ostensibly by the International Team. There is interest in further summer school activity on-campus for 2019 and this is an area where there is potential for further income generation at a time when the residences and campus are under-utilised.
- Short course promotion has been moved from CRM and on to Eventbrite, in order improve customer experience, enable electronic payments and facilitate the move to the UHI CRM by the end of the year.
- Sector development plans continue to be developed and have already successfully driven the development of new curriculum and projects, including CISO, Prince 2 and a range of new MA frameworks.
- The marketing & communications team will work in a more focussed way with the newly restructured Business Solutions team to ensure that commercial providers are not able to develop competitive provision.
- The team will work with Business Solutions Advisors to support the development of social and digital media capability to increase engagement with businesses in Advisors' key sectors.

1.4 To support the growth of research participation and income:

- We are continuing to work with Research to refresh the research area of the website. We are supporting them to host their own research blog. We are focussing on generating coverage, where possible, to highlight our specialism. Notables to date include eDNA, Cairngorm reindeer research project and red squirrel research. The recent STV advert also featured the Rivers and Lochs and labs.
- We played an active role in the 2017 Scottish Salmon Festival, where we hosted public lectures and a two day conference. The research team were also present at the family fun day at Bught Park, and angling competition on the river. The research team were invited to exhibit. We have also supported

research to host a number of film showings which have included a brief introduction to the work of the department. Film nights and talks took place on 13 March, 20 March and 17 April. Marketing and Communications helped promote these events.

- Research have an active Twitter account, and we have been supporting them with ideas to increase engagement. We use the main social media accounts to flag up news in research.
- We highlight research within the prospectus, and in the website redraft, the role research plays within the wider partnership, using the following statement:-“In the 2014 Research Excellence Framework over 69 per cent of research submitted by the University was internationally excellent and world leading.”

1.5 To increase the College’s profile and reputation in local, regional, national and international markets:

- Proactive PR activity has increased significantly since in-sourcing the function in 2016/17. This supported increased engagement with key stakeholders and initiatives such as Leaders Lunches and “Arrive Alive” for which the team was nominated for a national HE marketing award. At the same time, we subscribed to a press-data services which resulted in improved targeting and accurate monitoring of press coverage. In 2018/19 we issued 70 articles or stories, which resulted in 428 mentions in publications and broadcasts.
- The team supported a range of applications for industry, national and international awards, many of which were shortlisted and either won or came second including: Arrive Alive, Green Nurseries, CHeRRieS, Scottish Experience. These were well publicised and attended by the Principal and relevant staff with the Principal. Our achievement of liP Gold and Customer Service Excellence is well publicised, through a variety of electronic and hard copy media.
- A range of events and activities that demonstrate Corporate Social Responsibility in 2017/18 included: the Arrive Alive campaign, targeting young drivers to think about how they drive and the impact that accidents can have; Marie Curie charity dinner for 140 people, the Prince’s Trust programme’s community project at Mikey’s Line, to name but a few.
- The College hosted and facilitated 246 diverse events, to showcase the college’s facilities, resources and the full range of its provision. This represented an increase of 38 from the previous year. There was a significant uplift in curriculum initiated events, with the proportion fitting this category rising to almost exactly half the total. Overall Revenue was £34,349 (£40,210). Revenue from room hire has increased, however hospitality revenue reduced by £11k from 2016-17. This is primarily because two large civic receptions (World Canals Conference reception and the World Aberdeen Angus reception) and the UHI Research conference were hosted here in 2016-17. These events generated £12k in hospitality revenue. In 17-18 there were 70 enquiries for events that we were unable to host, valued at approximately £40k in room hire income alone.

Board of Management

Subject/Title:	Committee Self Evaluation
Author: [Name and Job title]	Fiona Ambrose, Board Secretary
Meeting:	Finance & General Purposes Committee
Meeting Date:	25 September 2018
Date Paper prepared:	17 September 2018
Brief Summary of the paper:	Annual F&GP committee self-evaluation exercise. This item was deferred from the meeting in June to allow all members to feed into the process. A combined evaluation document has been prepared and a number of actions identified.
Action requested: [Approval, recommendation, discussion, noting]	It is recommended that the committee consider the suggested actions and if in agreement, the Board Secretary will draw up an implementation plan.
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 	<p>Compliance with Code of Good Governance for Scotland's Colleges.</p> <p>Providing assurance to the Board on the effectiveness of the audit committee's key responsibilities and thus mitigating risk.</p>
Resource implications:	Cost of Internal Audit services
Risk implications:	Yes/No Operational: to ensure that the internal audit function is appropriate and effective
Equality and Diversity implications:	N/A
Consultation: [staff, students, UHI & Partners, External] and provide detail	

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

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Introduction

Monitoring and planning for the institution's financial position and financial control systems is undertaken by the Finance and General Purposes Committee.

The evaluation tool provides a practical way for committee members to review periodically their effectiveness and identify areas for future development. It provides a simple way for the Director of Finance to test the design and organisation of the interface between financial management and financial governance. It is also a mechanism for the Board Secretary to satisfy herself that the arrangements for the annual cycle of committee business enables and supports the achievement of good practice.

Combined evaluation

Responses have been received from all Finance and General Purposes committee members and combined into one evaluation document (attached)

The scores within the evaluation range from 1 to 3

1. No, not at all
2. Yes, partly
3. Yes, strongly.

Where all, or at least 50% of responses given is a 3, no new action requires to be taken. Current practice will continue and where members have raised a question, clarification will be provided by the Board Secretary and the Director of Finance.

Where all, or at least 50% of the responses given is a 2 or a 1, actions have identified to improve current practice and / or understanding.

Recommendation

It is recommended that the Committee consider the suggested actions identified and if in agreement, the Board Secretary will draw up an implementation plan.

	Good Practice	Evaluation Level 1 to 3	Further action required? Y / N	Evidence for assessment and improvement actions
	Role of Committee Members			
1	Has the governing body set the tone for the institution indicating that finance matters?	3, 3, 3,3, 2, 2	N,N,N, N, Y, Y	KPI's and governance in place that is effective in the management of the institutions finances. I think that the need for income generation and good financial reporting / governance is well understood. However, I am still concerned regarding the culture of cost / expenditure control.
2	Does the finance committee have written terms of reference (TOR)?	3, 3, 3, 3, 3, 3	N,N, N, N, N	TOR in place
3	Are the TOR adopted by the governing body and reviewed periodically?	3, 3,3,3, 3, 3	N,N, N, N, N	Yes
4	Is the role and purpose of the finance committee understood and accepted across the institution? ACTION Prepare a brief introduction to the Board and the role of it's committees and make this accessible to all staff and students through iConnect and MyDay internet portals.	3, 3 , 3, 2, 2, 2	N,N, Y, N, N	Not sure how aware the rest of the institution is regarding the finance committee – ie staff in general I believe so, may need to be confirmed through a simple survey. Think at the institutional level there is more identification with the BOM, rather than F&GP
5	Is the finance committee's role clear in respect of other committees with responsibility for financial matters within the institution?	3, 3, 3, 3, 2	N,N, N, Y	Some matters decided at management board and the board approves minutes. Yes, the finance and general purposes committees role is clear through the TOR I think we now have better clarity and practice around remits, particularly in respect of risk management.

6	Are the finance committee's authorities properly constituted and specified in the institution's financial regulations?	3, 3, 3, 3, 3	N,N, N, N	Yes Yes
7	Are the members clear about the outcomes the institution is aiming to achieve?	3, 3, 3, 3, 3	N,N, N, N	All plans taken through committee and board. Set out in our strategy Yes, IC strategy in place that members of the board helped shape Yes, albeit some of the detail of the sector is still to be taken on.
8	Do the finance committee members clearly understand their roles and responsibilities? Do they understand the part they play individually?	3, 3, 2, 3, 3	N,N, N, N	Helped by training for new board members on their role, including financial scrutiny. Unsure as to what "individually" refers Yes covered as part of induction and further training provided by finance director Yes Yes. Encouragingly more positive debate and questioning.
9	Do the finance committee members clearly understand the interface between the committees with financial responsibilities including the audit committee and the finance committee, and with the governing body and how they relate to each other?	3, 3, 2, 3, 2	N,N, N, Y	Helped by one joint committee annually and seeing audit committee papers at the board. We have had talks from Fiona Mustarde which have made this clear We have combined committee meeting when required Yes, Chairs committee provide oversight Still some work to do (se Q5) around strategy development and our role in feeding back to SMT

	Skills and Experience			
10	Do the finance committee members have the right skills and expertise to enable them to challenge effectively?	3, 3, 2, 3, 2	N,N, N, Y	<i>I feel all the right questions are asked at meetings</i> Unsure if anyone on the committee has finance/accountancy training Yes, good mix of skills and backgrounds Lack of accountancy skills at detailed level
11	Are there any qualified accountants amongst the members? ACTION No – Considered recruitment exercise to co-opt member(s) with relevant qualifications and skills	1, 3, 1	N,N, N, Y	Don't know <i>I don't know</i> Not that I am aware of. The finance director No
12	Does the finance committee have an appropriate mix of knowledge and skills among the membership from the specific sector, the public services and the private sector?	3, 3, 2, 3, 3	N,N, N, N	Different professional backgrounds. <i>From what I know of the committee members, I feel there is a good mix</i> Not sure what definition of “appropriate” be. There is involvement from both sectors but not sure if this needs to be balanced. Yes, there is a good mix from industry and education Taken in the context above, yes
13	Does the chair of the committee have appropriate knowledge and skills?	3, 3, 3, 3, 2	N,N, N, Y	<i>The chair has knowledge from a similar institute and this is evident at committee meetings</i> Yes, he is an education director that has experience of education finances Accountancy / finance
14	Do the finance committee members demonstrate appropriate commitment?	3, 3, 3, 3, 3	N,N, N, N	Yes Meeting well attended and good debate Yes, well attended committee meetings
15	Do the finance committee members understand the financial regime in which the institution operates?	3, 3, 3, 3, 2	N,N, N, Y	We have had various training sessions to make us aware. Yes, training provided to ensure compliance

				<p>Clear understanding provided by finance director</p> <p>Training sessions provided but some of detail around FE /HE numbers, grants, research income still to be embedded. This is coming on well however, with specific training helping.</p>
16	<p>Do the finance committee members have an understanding of the accounting policies in use in the institution</p> <p>ACTION Continue to enhance the level of detail provided within committee reports. Accounting policies are laid out within the annual accounts.</p>	2, 3, 2, 3, 2	N,N, N, Y	<p>Helped by Director of Finance reports and explanations. I've rated this at 2 only because the funding arrangements and procedures for accounting seem complicated to me and not like the accounting process I'm used to.</p> <p>Again recent training was given to clarify this</p> <p>Again training provided</p> <p>Yes, training provided</p> <p>Helped by reporting from Director of Finance, but improved qualitative text against numbers would help – this is a known and recorded action.</p>
17	Are the finance committee members familiar with, and do they understand, their institution's financial memorandum or agreement and articles of government?	3, 3, 3, 3, 3	N,N, N, N	<p>I believe so</p> <p>As above</p> <p>Yes, I believe so</p>
18	Do the finance committee members understand the key financial risks currently facing the institution?	3, 3, 3, 3, 3	N,N, N, N	<p>Debated also at the board of management.</p> <p>Set out clearly on risk register</p> <p>Yes, risk register in place</p> <p>Yes. Very visible.</p>
19	Do committee members have an understanding of the key challenges and risks facing the institution over the medium to long term and the institution's environment and strategy?	3, 3, 3, 3, 3	N,N, N, N	<p>Also from other committees e.g. HR and the impact of the pay award.</p> <p>Yes, the climate that IC are operating in is discussed at meetings and understood</p> <p>Yes, very visible</p>
20	Do the finance committee members understand the health of the institution relative to the sector including performance trends, productivity, benchmarks and assurance that value for money is being achieved?	3, 3, 3, 3, 2	N,N, N, Y	<p>Also from reports to the board.</p> <p>Yes, benchmark information from SMT when requested</p> <p>VFM perhaps requires more coverage.</p>

21	Do the finance committee members understand the financial health and sustainability of the institution as perceived by funding bodies and financial institutions?	3, 3, 2, 3, 2	N,N, N, Y	Also from feedback from the external auditors. Yes, audited by finance specialists and report brought to F&GP This could be more developed through reporting by Director of Finance

	Behavioural and operational aspects			
22	Does the finance committee meet on a regular basis, at least three times in each financial year?	3, 3, 3, 3, 3	N,N, N, N	Organised by the Board Secretary Yes, timetabled in advance by the secretary to the board of management
23	Are meetings scheduled in good time in respect of important decisions and financial deadlines?	3, 3, 3, 3, 3	N, N, N	Yes, well in advance
24	Are members attending meetings on a regular basis and if not is appropriate action taken	3, 3, 3, 3	N, N, N	When I have not attended, I've been able to feed in ant issues to the Secretary as the papers ar circulated in advance. <i>The Board Secretary would be aware</i> If can't attend fully briefed Yes, members attend regularly
25	Is the timing of Finance committee meeting discussed with all the parties involved?	3, 2, 3, 2	N, N, N	<i>I understand discussion held with Chairs and other committee members advise if these meetings don't suit</i> Yes, timing agreed collectively Partly
26	Has each member declared his or her business interests?	3, 3, 3, 3	N, N, N	As far as I am aware Yes, I was asked I believe so
27	Is the register of interests checked on a regular basis? Is the register easily accessible? CLARIFICATION The Board Secretary updates the register of interests when aware of any changes and also sends the register to all Board members on an annual basis for review. Last review August 2018.	3, 2, 3, 2	N, N, Y	<i>I have never had reason to look for it</i> Yes, Secretary to the Board of Management holds this information Thinks needs clarification.
28	Are committee members independent of the management team and other committees?	3, ?, 1, 3	N, Y, N	Yes with regard to management team but committee members can sit on more than one committee Independent of management team but members serve in other committees

				No, members of the BoM are independent but do sit on other committees i.e. I am on the LT&R committee and the Longman disposal committee. I think this may be a poorly worded question. Yes
29	Are all the committee members fully engaged and participative in discussions at the meetings?	3, 3, 3, 3, 3	N, N, N, N	Yes, in my experience there is always constructive and forensic questioning Improving and already satisfactory.
30	Do the committee members ask 'tough questions'?	3, 3, 3, 3	N, N, N	The discussion about new posts and new courses to improve financial sustainability took more than one meeting. Challenging when need to be Yes, particularly the chair who challenges the SMT in a professional way Yes
31	Do the finance committee members scrutinise decisions effectively and offer constructive challenge?	3, 3, 3, 3	N, N, N	<i>In my opinion I feel the committee scrutinises decisions and offer constructive challenge</i> Yes, I believe so. Example would be the role of the ALF which was questioned in some detail Yes, I believe so.
32	Do co-option arrangements include the involvement of the governing body's search or nominations committee? CLARIFICATION Yes – any recruitment / co-option would be considered by the Selection Panel drawn up (which has an independent member and a member of the UHI Court as well as two members of the Inverness College Board of Management). The Search and Nomination committee does not play a large part as we are required to comply with the ministerial guide for Board Appointments. Board members appointment is approved by the UHI Court as the RSB	1, 1	N, Y	Not sure <i>I don't know</i> Unsure if Human Resources committee is involved in this process Unsure I don't know.
33	Are arrangements in place to rotate governing body membership?	1, 2	N, Y	Not sure <i>Only as required as far as I'm aware</i> Unaware if membership is for a fixed term.

	<p>CLARIFICATION No formal arrangements in place but Search and Nomination Committee would consider this when reviewing members skills and experience. Opportunity given to members to change committee membership in Sept 2017</p>			<p>Unsure Not formally, but change has been a relatively steady factor in our governing body so by practice yes. Formally, clarification required.</p>
34	Do the committee members draw and reflect on their experiences of other organisations in discussions?	3, 3, 3, 3	N, N, N	<p><i>It would appear so</i> Own experience frequently part of discussion Yes, chair works in a University and draws on his I believe so.</p>
35	<p>Do the committee members have confidence in the financial management of the institution</p> <p>ACTION Continue to enhance the information and level of detail provided within the F&GP papers</p> <p>Continue to discuss the financial challenges and receive reports on the controls and mechanisms in place to control costs.</p>	2, 3, 3, 2	N, N, Y	<p>Rated as 2 only because of the financial challenges facing the college. Committee members are aware of the risks and how they are to be managed but some of the challenges are external and out with the committee's control. <i>They appear to have confidence</i> Yes, highly competent finance team in place. Largely yes. There is clear reporting which is in the main up to date and qualified with helpful commentary. Cost control is the area I have my main concern, particularly as we move into difficult funding times.</p>
36	Are arrangements in place to enable the approval of urgent items of business?	3, 3, 3, 3	N, N, N	<p><i>The Board Secretary would call an extra meeting if this was deemed necessary</i> Yes, contact details are held by the secretary to the BoM in case of urgent business</p>
37	Do the committee members have confidence in the leadership of the finance department	3, 3, 3, 3	N, N, N	<p><i>In my opinion good responses are given during committee meetings</i> Yes, I do Yes. Resourcing levels are an issue however</p>
38	Do the members and in particular the chair of the committee have a respectful and constructive relationship with the chief financial officer?	3, 3, 3, 3	N,N, N, N	<p>Yes, professional relationship in place Yes</p>

39	Do the committee members have access to the chief financial officer and vice versa	3, 3, 3, 3, 3	N,N, N, N	Yes – <i>we have access to email addresses as a minimum</i> Yes, very approachable Yes
40	Does the chief financial officer attend meetings of the finance committee?	3, 3, 3, 3, 3	N,N, N, N	Yes Yes Yes
41	Is the chief financial officer a member of the senior decision making team?	3, 3, 3, 3, 3	N,N, N, N	<i>They are a member of the Senior Management Team</i> Yes Yes
42	Is the chief financial officer involved in strategic level debates about the institution's aims and priorities?	3, 3, 3, 3, 3	N,N, N, N	Yes Yes I believe so

	Information and Support			
43	Are there appropriate training and induction procedures for the committee members?	3, 3, 3, 3, 3	N,N, N, N	<i>We have recently received 'top-up' training which was very useful</i> Yes, training and induction procedures in place Yes
44	Does the finance committee have an independent clerk/secretary?	3, 3, 3, 3	N, N, N	<i>Board Secretary</i> The secretary to the BoM is independent of IC Yes, Board Secretary, works well
45	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? <p>ACTION Ensure that all papers are circulated timeously and that reports are clear in relation to the action required</p>	3, 2, 3, 2	N, N, Y	<i>Board Secretary keeps chairs on track with regard to timings; assists with what is included on agenda; on some occasions papers are received with very little time prior to meetings; they papers are clearly marked what is for decision/discussion, etc.</i> Yes to all points The F&GP pre-meet structure works well. The odd paper is a bit late. In the main yes, although sometimes the role of F&GP as a route to Board for a paper could be better identified.
46	Do committee members have a mechanism to keep them aware of topical legal and regulatory issues and institutional developments, for example, by receiving circulars, training or briefing papers? Are they briefed on significant changes?	3, 3, 3, 3, 3	N, N, N, N	Media briefing, policy up-dates and newsletters received in addition to committee papers. Through training Board Secretary sends links to various circulars, etc to enable committee members to be kept up to date. Regularly by email Yes. Training, briefings from Director of Finance and also flow through emails from Executive & SFC.
47	Do the finance committee members receive reports that are concise and tailored to their needs	2, 2, 3, 3	N, N, N	The reports are becoming easier to understand for lay people with the Director offering new descriptions.

				<p>Yes</p> <p>Reports can be fairly lengthy and do require a significant amount of time to study.</p> <p>Yes</p> <p>Yes</p>
48	Is the information they receive robust and objective?	3, 3, 3, 2	N, N, Y	<p>Yes</p> <p>I would say so</p> <p>Yes, although the need for development of the qualifying / explanatory text is recognised.</p>

	Activities and Functions			
	<i>Financial Strategy</i>			
49	Do the finance committee members feel that they know and understand the challenges facing the institution in the next five to ten years, the aims of the institution, the priority areas for action to achieve those aims in the context of the challenges, the resource constraints on taking action and how those resource constraints will be tackled?	3, 3, 3, 2	N , Y	<p><i>The current strategy is in place until 2020 and we are aware of current issues that will have an impact on the institution going forward but it is difficult to plan much further than 5 years ahead for a range of reasons.</i></p> <p>IC UHI has a robust strategic plan, example of HE gap.</p> <p>In real terms Brexit makes this an impossible question to answer as no one knows what the future will hold</p> <p>In the main yes. I have some concerns over cost control and also the reality around international and RUK recruitment within the context of UHI.</p>
	<i>Annual Budget and Budget monitoring</i>			
50	Do the finance committee members have the opportunity to review and challenge the budget?	3, 3, 3, 3	N, N, N	<p>Yes</p> <p>Yes, every F&GP meeting</p> <p>Yes</p>
51	Does the budget report supplied to finance committee members identify major risks and financial consequences?	3, 3, 3, 3	N, N, N	<p>Yes</p> <p>Yes</p>
52	Do the finance committee members understand the institution's management accounts?	2, 3, 3, 3	N, N, N	<p>Rated as 2 because it is complicated.</p> <p>Training provided</p> <p>Yes</p> <p>Yes</p>
53	Do the finance committee members understand the institution's management accounts?	duplicate	N	Q 52 and 53 are the same
54	Does the information supplied to finance committee members include financial reports on balance sheet items and clearly distinguish between capital and revenue?	3, 2, 3, 3	N, N, N	<p>Yes</p> <p>Yes</p> <p>Yes</p>

	<i>Financial Management</i>			
55	Do the finance committee members receive costing information to support decision-making? ACTION Continue to enhance the level of detail provided within committee reports (see action 16)	2, 3, 3, 2	N, N, Y	Rated as 2 only because of the recent experience of the report to the board on new posts and courses which need clarification and a second discussion. Yes Yes In the main yes, but course specific information and research centre specific information is not typically available.
56	Do the finance committee members receive costing information to support decision-making?	duplicate		Q 55 and 56 are the same
57	Do the finance committee members understand the priority areas in order to achieve the institution's agreed outcomes and the resources required?	3, 3, 3, 3	N, N, N	I believe so. Yes Yes
58	Does the committee consider and approve the financial regulations of the institution, paying particular attention to the authority delegation levels that are set out within them?	3, 3, 3	N, N, N	Not sure Yes Yes Yes
59	Does the committee consider and approve the financial regulations of the institution, paying particular attention to the authority delegation levels that are set out within them?	duplicate		Question 58 and 59 are the same
60	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? ACTION Consider annual VFM report in September/December and review answer thereafter	2, 3, 3, 2	N, N, Y	I believe so Yes VFM is not considered as a specific consideration. Course fees are looked at anecdotally and to some extent locally (where we have local flexibility)
61	Is the committee aware of the audit committee's views on the institution's arrangements for securing value for money?	2, 2, 3, 2	N, N, Y	Only in as much as what is discussed or included in minutes of audit committee meetings.

	ACTION Consider annual VFM report in September/December and review answer thereafter (as 60 above)			Minutes of Audit committee are received by members of F&GP committee and joint meetings of the committees are held therefore members should be aware. However my limited experience doesn't allow me to be absolutely certain of this. Yes Perhaps needs to be a specific item at the joint F&GP / Audit meetings
62	Do the finance committee members reflect on how financial management operates in the institution compared with their experience in other organisations?	2, 3, 3, 3	N, N, N	<i>This has been mentioned on occasion</i> Yes, my experience is that all members do draw on previous experience Personally yes.
	<i>Financial results</i>			
63	Is the role of the finance committee with regard to the financial statements compatible/clear/ consistent with that of the audit committee? ACTION Chairs Committee to discuss this in the first instance	3, 2, 3, 2	N, N, Y	<i>I don't know</i> See comment against 61 Yes I think further integration / discussion is required
64	Does the finance committee obtain an early view of the draft financial statements in advance of them being signed?	3, 3, 3, 3	N, N, N	Yes we have a view – not sure if it can be classed as 'early' Yes Yes
65	Does the finance committee ask the simple and obvious questions about the financial information which they, as a committee, do not understand? (Such questions are also likely to be the questions raised by the users of accounts)	3, 3, 3, 3	N, N, N	Yes Yes Yes

	Review			
66	Do the committee members assess their collective performance on a regular basis?	3, ?, 3, 3	N, N, N	<p>This self-assessment is an example. Discussion on risk appetite at recent away day.</p> <p><i>We have assessed the performance of the chair previously</i></p> <p>Unsure of any arrangements for review of collective performance therefore unable to answer these questions</p> <p>Yes, written performance assessment carried out by chair</p> <p>Yes</p>
67	Do they assess how they could carry out their business more effectively? eg improved meeting time table	3, ?, 3, 2	N, N, N	<p>Yes, areas for improvement and development are identified</p> <p>Revised pre-meet has helped and committee members have ability to raise ideas.</p>
68	<p>Are there KPIs in place against which the committee members can assess their performance?</p> <p>Clarification There are no KPIs in place. Performance assessment of the committee is carried out on an annual basis through committee self-evaluation and committee evaluation of the chair. Individual board members are assessed on their role as a board member on an annual basis and any training and development needs identified.</p>	3, 3, 3, 1	N, N, Y	<p>Not sure if this means KPIs for committee member performance of KPIS in relation to the college. If it's the latter then I'd rate this 3.</p> <p><i>Not that I know of</i></p> <p>Although induction materials state there are KPI's I have been unable to find them. This may be because ipads were changed during the year.</p> <p>Yes, IC have KPI's in place that measure performance</p> <p>No</p>
69	<p>Has the committee evaluated whether and how it is adding value to the organisation?</p> <p>ACTION Review this answer once actions from the evaluation exercise have been agreed</p>	2, ?, 3, 2	N, N, Y	<p>Through this self-evaluation process</p> <p>Yes, against the KPI's</p> <p>Not formally</p>

70	Does the committee have an action plan to improve any areas of weakness?	2, 3, ?, 3, 2	N, N, Y	We have the action plan following committee meetings. Not sure what else might be needed, other than more scrutiny on the new plans for generating income agreed at the board. Internal training carried out by finance director This evaluation will definitely help
71	Has the committee obtained feedback on its performance from those interacting with the committee or relying on its work? ACTION Further discussion with the committee chair to determine what action is required.	1, ?, 1, 2	N, Y, Y	Not that I'm aware Key stakeholder feedback would be useful Personally yes, but not at committee level

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:	27 September 2018
Date Paper prepared:	19 September 2018
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		
*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

Debt Write Off as at August 2018

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 £2,379.57 and they relate to tuition fees, reclaim of overpaid bursary and library charges, 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.

POTENTIAL WRITE OFFS AUGUST 2018

AGE OF DEBT					
INVOICE DATE	- DAYS	BALANCE	TYPE OF DEBT	COLLEGE STATUS	FURTHER INFORMATION
04/06/2015	1203	280.00	BURSARY	COLLECTION ACTIVITY EXHAUSTED	REMAINING BALANCE ONLY
07/10/2015	1078	12.36	BURSARY	NOT FINANCIALLY VIABLE TO SEND TO DEBT COLLECTOR	
12/01/2016	981	597.40	BURSARY	COLLECTION ACTIVITY EXHAUSTED	
16/11/2015	1038	412.28	BURSARY	COLLECTION ACTIVITY EXHAUSTED	
15/06/2016	826	378.08	BURSARY	COLLECTION ACTIVITY EXHAUSTED	
17/03/2017	551	30.00	BURSARY	NOT FINANCIALLY VIABLE TO SEND TO DEBT COLLECTOR	
23/06/2017	453	79.20	BURSARY	NOT FINANCIALLY VIABLE TO SEND TO DEBT COLLECTOR	
31/05/2017	476	40.00	BURSARY	NOT FINANCIALLY VIABLE TO SEND TO DEBT COLLECTOR	
25/05/2016	847	100.00	BURSARY	NOT FINANCIALLY VIABLE TO SEND TO DEBT COLLECTOR	
20/04/2017	517	69.37	LIBRARY	NOT FINANCIALLY VIABLE TO SEND TO DEBT COLLECTOR	
03/05/2017	504	0.94	LIBRARY	NOT FINANCIALLY VIABLE TO SEND TO DEBT COLLECTOR	REMAINING BALANCE ONLY
26/05/2017	481	59.98	LIBRARY	NOT FINANCIALLY VIABLE TO SEND TO DEBT COLLECTOR	
26/05/2017	481	72.98	LIBRARY	NOT FINANCIALLY VIABLE TO SEND TO DEBT COLLECTOR	
03/05/2017	504	45.98	LIBRARY	NOT FINANCIALLY VIABLE TO SEND TO DEBT COLLECTOR	
06/12/2016	652	30.00	TUITION FEES	NOT FINANCIALLY VIABLE TO SEND TO DEBT COLLECTOR	
16/12/2016	642	100.00	TUITION FEES	NOT FINANCIALLY VIABLE TO SEND TO DEBT COLLECTOR	
02/12/2015	1022	3.00	TUITION FEES	AMOUNT NOT FUNDED BY SAAS	
23/03/2018	180	2.00	TUITION FEES	AMOUNT NOT FUNDED BY SAAS	
14/02/2018	217	2.00	TUITION FEES	AMOUNT NOT FUNDED BY SAAS	
14/02/2018	217	3.00	TUITION FEES	AMOUNT NOT FUNDED BY SAAS	
14/02/2018	217	2.00	TUITION FEES	AMOUNT NOT FUNDED BY SAAS	
14/02/2018	217	3.00	TUITION FEES	AMOUNT NOT FUNDED BY SAAS	
10/04/2018	162	3.00	TUITION FEES	AMOUNT NOT FUNDED BY SAAS	
13/02/2018	218	2.00	TUITION FEES	AMOUNT NOT FUNDED BY SAAS	
28/03/2018	175	2.00	TUITION FEES	AMOUNT NOT FUNDED BY SAAS	
26/03/2018	177	3.00	TUITION FEES	AMOUNT NOT FUNDED BY SAAS	
23/03/2018	180	12.00	TUITION FEES	NOT FINANCIALLY VIABLE TO SEND TO DEBT COLLECTOR	
22/02/2018	209	26.00	TUITION FEES	NOT FINANCIALLY VIABLE TO SEND TO DEBT COLLECTOR	
14/02/2018	217	3.00	TUITION FEES	AMOUNT NOT FUNDED BY SAAS	
11/06/2018	100	3.00	TUITION FEES	AMOUNT NOT FUNDED BY SAAS	
26/03/2018	177	2.00	TUITION FEES	AMOUNT NOT FUNDED BY SAAS	
Total		2,379.57			
BREAKDOWN OF DEBT		VALUE	% OF DEBT		
TUITION FEES		£201.00	8.45%		
BURSARY		£1,929.32	81.08%		
BOOKS		£249.25	10.47%		
NURSERY		£0.00	0.00%		
EQUIPMENT		£0.00	0.00%		
OTHER / EVENTS		£0.00	0.00%		
TOTAL		£2,379.57	100%		

TOTAL	4,759.14		
		SUN	
		£	2,379.57
		SITS	
		£	2,379.57

Board of Management

Subject/Title:	Update on Accounts and External Audit Process 2017/18
Author: [Name and Job title]	Fiona Mustarde, Director of Finance
Meeting:	Finance and General Purposes Committee
Meeting Date:	27 September 2018
Date Paper prepared:	19 September 2018
Brief Summary of the paper:	To provide the committee with an update on the final accounts and external audit process for the 2017/18 financial year.
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 	
Resource implications:	Yes If yes, please specify:
Risk implications:	Yes If yes, please specify: Operational: delays in completion could impact on ability of auditors to complete in time Organisational: requirement for audited signed accounts to be sent to SFC and Audit General for Scotland by 31 December 2018.
Equality and Diversity implications:	No If yes, please specify:
Consultation: [staff, students, UHI & Partners, External] and provide detail	

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

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

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

Final Accounts and External Audit Process 2017/18

Executive summary

The committee are asked to note the report.

Background

The College financial year runs from 1 August to 31 July. Each year the Scottish Funding Council (SFC) provide guidance on completion of the annual accounts which also stipulates the date by which the signed report and accounts must be returned, normally 31 December. Colleges are required to ensure that processes are in place to ensure that the final report and accounts are fully audited and approved by College Boards of Management in time to meet this deadline.

Colleges and universities must apply all requirements under FRS102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', relevant legislation and accounts direction from Funding Bodies applicable to the institution.

As per the SFC direction, colleges must comply with the 2015 Statement of Recommended Practice: Accounting for Further and Higher Education in preparing their annual report and accounts.

Incorporated colleges are also required to comply with the Financial Reporting Manual (FReM). There are additional disclosures required in the financial statements required by the FReM. In cases where there is conflict between the FReM & the SORP, the latter will take precedence. Some of the key disclosures colleges must include in their annual report and accounts are noted below:

- Performance report
- Remuneration and staff report
- Corporate governance report

Timescales for 2017/18

Colleges are required to provide to the SFC a copy of their financial statements and associated audit reports by 31 December 2018. Incorporated colleges must also send two copies to the Auditor General for Scotland by this date.

These documents will be tabled at a joint Audit/Finance and General Purposes Committee meeting on Thursday 6 December 2018 for review and recommendation to the Board of Management. The Board will consider and approve the report on 18 December 2018 for signing by the Principal and Chair.

External Audit Work

Audit Scotland appointed Ernst & Young as external auditors for all five of the incorporated colleges within UHI, with the 2016/17 accounts being the first year of appointment. Following on from the 2016/17 audit, a meeting took place on 23 April 2018 between Stephen Reid and Keith MacPherson of EY and Fiona Mustarde of Inverness College UHI, to review the 2016/17 audit and plan for the 2017/18 audit. At this meeting, key contacts and timescales for the 2017/18 process were discussed and agreed.

An interim audit visit took place during the week of 11 June 2018. This was an opportunity for the audit manager to meet our new finance manager and go through key points of the process. The external audit team are due on site to carry out their main fieldwork during the week commencing 8 October 2018 for one week.

Once the initial fieldwork is complete, we will then have a follow-up meeting with the manager in charge from EY, Alison Martin. This should take place shortly after their on-site visit to ensure that the deadline for submitting the final accounts to the joint Audit and Finance & General Purposes committee meeting on 6 December 2018 is met.

Work is progressing with a view to a draft set of accounts being available for the auditors on 28 September 2018 as agreed at the planning meeting in April.

Credits and Student Support Funds

Data in respect of FE student activity (credits) and the application of student support funds requires to be audited but follows a different timeframe. The deadline for these audited returns for 2017/18 is 5 October 2018. The deadline for the Education Maintenance Allowance (EMA) audit certificate is 31 October 2018.

The College internal auditors, BDO, were on-site from 11 September for approximately two weeks to undertake the audit of both the credits and student support funds (commonly referred to as the FES audit). In a change to previous years, we have also instructed BDO to undertake the EMA audit for 2017/18.

Historically, the College has used the external auditors to undertake the EMA audit whilst internal audit have audited the other student support funds. Given that the EMA awards use the same systems and processes for application and distribution, it is logical to use the same audit approach. This should then remove the possibility of confusion around submission of the audit certificate by the required deadline.