

University of the Highlands and Islands

Committee Further Education Regional Board (FERB)
Date & Time Thursday 3rd September at 15.00pm
Location ICTFC Football Stadium, Inverness
Purpose Scheduled meeting
Quorum Half plus one.

Present

Michael Foxley (Chair)	
Garry Sutherland	Chair Inverness College UHI
Jana Hutt	Chair of Moray College UHI
Andrew Campbell	Chair of Argyll College UHI
Grant Myles	Chair of Perth College UHI
John Hutcheson	Chair West Highland College
Niall Smith	Chair North Highland College
Wilf Weir	Independent Member – Director of Education VC
Calum MacPherson	Independent Member
Lisa Massie	Independent Member
Patrick O'Donnell	Staff Member
Luke Humberstone	HISA President
Lorna Stanger	FE Student Member
Aideen O'Malley	Representative SMO Board of Management
Mike Devenney	Associate Principal FE

In attendance

Lydia Rohmer Principal of West Highland College UHI
 Bill Ross Principal of Orkney College UHI VC – in part
 Fiona Larg UHI Chief Operating Officer and Secretary
 Garry Coutts Chair of University Court
 Clive Mulholland Principal and Vice Chancellor
 Crichton Lang in part
 Morven Cameron in part
 Sharon Drysdale in part
 Roger Sendall (*minutes*)

Apologies Peter Campbell, Brian Chaplin, David Sandison, Bruce Ritchie, Carroll Buxton, Gordon McGuinness, Ewen ?

Agenda Item	Action
<p>1 WELCOME</p> <p>The Chairman opened the meeting and noted that a quorum was present.</p> <p>Declarations of interest: None</p> <p>AOCB: The Chair thanked the Vice Principal Further Education for organising a successful and stimulating planning event earlier in the day.</p>	
<p>2 MINUTES</p> <p>2.1 The minutes of the meeting held on 15th May 2015 (FERB15-025) were reviewed and approved.</p>	

2.2 The committee considered the matters arising paper (FERB15-025b). The following points were noted:

- Highlands and Islands Skills Investment Plan (SIP) - Following the election of Councillor Drew Hendry to the UK Parliament there was a need to identify a new chair for the Programme Board to lead initiatives to implement the SIP. It was noted that the issue would be progressed at the next Convention of Highlands & Islands (COHI) event. FERB suggested that there may be merit in appointing a new chair who was a council officer rather than a councillor to ensure continuity.
- Wood Commission Pathfinders - It was noted nine pathfinder programmes were in progress throughout the region this session. An updated activity tracker would be circulated to members in November 2015.
- European Strategic Investment Funds (ESIF) – FERB was pleased to note that confirmation had been received that new SCQF level 5 and 6 curriculum would be eligible for ESIF grant funding programmes.

2.3 The draft minutes of the FE Executive Board meeting held on 21st August 2015 (FERB15-026) were noted.

3 CHAIRMANS REPORT

The Chair highlighted the key issues which had been discussed during the morning's strategic/planning session attended by members of FERB, the AP Principals and invited guests including the regional lead for Lanarkshire and colleagues from SDS, Colleges Scotland and the SFC. In particular, the Chair highlighted an expectation that government austerity measures were likely to persist for several years leading to substantial financial challenges for the sector and to individual academic partner colleges with small rural colleges most vulnerable. The situation was compounded by issues such as national bargaining, the regions rural and dispersed geography, poor infrastructure, slow broadband connectivity and rurality. However, the Chair noted that the partnership had a special pedagogy and skill set, the region was distinctive and innovative providing tertiary education opportunities that matched government policy objectives well. The Chair explained that he would work closely with the VPFE and Chair of Court to identify two or three key points and messages that could be used by members of Court and FERB to lobby government with a consistent message in an effort to ensure that the region received a fair allocation of grant funding.

4 GOVERNANCE PLANNING & FUNDING ISSUES

4.1 Shared Services Update

FERB noted paper FERB15-027 providing an update on the shared services project. The COOS advised that the Highland Council were due to meet today to consider the University's request to extend the current pensions guarantee provided to executive office staff to the new shared services company staff. If this request was agreed it would then be necessary to consider whether or not the employer's contribution rate remained affordable since there was a risk that this would be increased as a result of an extended guarantee.

It was noted that all partners were committed to developing shared services for the purposes of improving efficiency, eliminating duplication and enhancing the student experience across the partnership, however, some concerns were expressed that the proposed model for delivering shared services through a new company was overly complex and may lead to additional unnecessary bureaucracy and cost.

It was noted that the SFC funding grant (circa £2M) was dependent on the partnership

implementing a shared service, however, that the mechanism utilised to implement shared services was not specified. One member suggested that shared services may be provided more simply through a department of the University.

Members agreed that there was a need to take stock and sense check the proposed model one final time before committing to a new service on 1st December to ensure that identified savings and efficiency predictions were real and that the model would deliver value for money.

It was agreed that the COOS would circulate a brief summary to the FERB members – of the options considered over the past 5 years, that there would be a “sense check” and that time lines and accounts milestones would be included in the action plan.

COOS

4.2 Financial Memorandum (FM)

The Chief Operating Officer and Secretary reported that the FM was currently still in draft form. One issue needed to be resolved pertaining to the possible transfer of resources from an incorporated college to an Arm’s Length Foundation. Amended wording had been produced in consultation with the SFC and circulated to AP Principals for comments, however, no responses had been received prior to the consultation deadline. FERB noted the importance of finalising the FM swiftly and recommended that the academic partners be given an extended period of 10 days to submit any comments.

4.3 Regional Curriculum Development Plan

FERB endorsed paper FERB15-028 providing a summary of actions being progressed through the Further Education Executive Board (FEEB) to develop regional curriculum planning, to share resources and introduce new provision for 2015/16.

The Principal of Orkney College explained that academic partners were committed to growing the curriculum and that work was progressing well to add material to the VLE, however, no additional SFC funding had been provided to date and partners were bearing all of the risk. In addition the individual credit Unit Price (£244) for delivering programmes was far too low. The estimated delivery cost for small rural college was estimated to be closer to £370 per unit.

It was agreed that the Chair of FERB and University Principal should write to the SFC to express the committee’s concerns.

Chair

4.4 Developing the Young Workforce

FERB noted paper FERB15-029 providing an update on developments to establish a regional hub and the recent appointment of Diane Rawlinson Principal of Inverness College UHI to the role Vice Principal for Work Based Learning to lead on implementing Wood Commission objectives.

4.5 Appointments to College Boards

FERB noted that the University had a responsibility under the Post 16 Education (Scotland) Act to appoint the chairs and independent members of the Boards of Management of the five incorporated colleges and that procedures had been established to enact the Ministerial guidance relating to such appointments.

Some concern was expressed that too many colleges were requesting extensions to existing Board appointments as opposed to initiating new appointment campaigns, however, it was noted that it was difficult to identify appropriately skilled and experienced members who were willing to serve on college boards. FERB noted that a programme of members’ terms and an appointments schedule would be developed and circulated as a mechanism for monitoring and managing continuity.

COOS

4.6 Internal Audit Report – Monitoring Academic Partners’ Financial Position

FERB noted paper FERB15-030 presenting the findings of an audit review of UHI’s monitoring of APs financial position that was approved by the Audit Committee on 2nd September subject to an extension to the action deadlines outlined in the paper by one month to 30th November 2015. . It was noted that FERB recognised the need for the committee and Court to have early warning of any financial difficulties being experienced by an AP.

It was agreed that the references in the conclusions in para 14 and 17 to the FERB (where appropriate) would have the words (where appropriate) removed.

4.7 Deferred to end of meeting.

4.8 National Bargaining

FERB was pleased to note that Colleges Scotland had indicated a willingness to consider amending the governance model in relation to progressing a position on National Bargaining to a one college one vote model.

FERB noted that National Bargaining would present significant problems for small partners who currently offered terms and conditions that were significantly below national averages. There would be a significant reputational risk to a college that refused to adopt national bargaining and a fair deal was also needed in order to attract and retain good staff. It was noted that APs had a duty to balance their books and that national bargaining may have very serious consequences for some colleges who would not be able to afford to increase salary costs to a national minimum. The Chair requested that members inform him of their concerns, to ensure that these were fully considered in any negotiations and to lobby government to ensure that APs received a fair allocation that would enable them to meet national standards.

5 RISK MANAGEMENT

FERB noted paper FERB15-031 comprising the current FE Risk register and Corporate High Level Risk Reports. It was noted that a risk in relation to national bargaining should be added to the register.

VPFE

6 DATE OF NEXT MEETING

Next meeting – 25th November 2015

CLOSED BUSINESS

Moray College Loan – The Chair of Court informed members about a material financial issue at Moray College which had been reported to Court at the last meeting and which had resulted in Court providing the college with a loan to enable the college to meet its financial commitments. Moray College would repay the loan in full and there would be no impact upon other partners. It was noted that the matter was currently being investigated and that further information would be provided in due course. FGPC was currently overseeing the issue on behalf of the University since the matter affected the colleges sustainability and not just FE funding although it was noted that there may be a need to review the role that FERB and FGPC had in monitoring financial sustainability of APs and the IA report considered at item 4.6 above was timely in this regard.

The Chair stated that an investigation was currently underway by Iain MacMillan and that when his report was available and the facts were known that there would be a special meeting of FERB to consider the necessary actions and consequences.