

**University of the Highlands and Islands**

**Committee** Further Education Regional Board (FERB)  
**Date & Time** Wednesday 8<sup>th</sup> February 2017 at 2pm  
**Location** EO1 Ness Walk, Inverness  
**Purpose** Scheduled meeting  
**Quorum** Half plus one.

**Present**

Michael Foxley (Chair)	
Andrew Campbell	Chair of Argyll College UHI
Ash Major	Chair of Moray College UHI
Neil Stewart	Chair of Inverness College UHI (VC)
Grant Myles	Chair of Perth College UHI
Peter Campbell	Chair of Shetland College (VC)
Clive Rowlands	Chair Lews Castle College UHI
David Sandison	Chair NAFC UHI
John Hutchison	Chair West Highland College UHI
Patrick O'Donnell	Staff Member
Calum Macpherson	Independent member
Lisa Massie	Independent member (VC)
Seonag Campbell	Independent – SDS (VC)
Wilf Weir	Independent – Director of Education (VC)
Luke Humberstone	President HISA
Irene Peterson	Associate Principal FE

**In attendance**

Lydia Rohmer Principal of West Highland College UHI  
 Diane Rawlinson Principal of Inverness College  
 Donald MacBeath Principal of North Highland College UHI  
 David Patterson Principal of Moray College UHI  
 Fiona Larg UHI Chief Operating Officer and Secretary  
 Clive Mulholland Principal and Vice Chancellor  
 Niall McArthur UHI Director of Corporate Resources  
 Roger Sendall (*minutes*)

**Apologies** Blair Sandison, Aideen O'Malley, Max Haddow Mendes, Carole Buxton, Crichton Lang

**Agenda Item**

**1 WELCOME & APOLOGIES**

The Chairman noted that a quorum was present. The above apologies were noted.

**Declarations of interest:** None

**AOCB:** None.

**2 PREVIOUS MINUTES**

2.1 The minutes of the meeting held on 23<sup>rd</sup> November 2016 (FERB16-067) were reviewed and approved.

**Action**

## 2.2 **Matters Arising**

FERB considered paper FERB17-00, the following points were noted:

Item 2 (Gender Balance) – It was noted that the appointment arrangements for committee membership prescribed within the University's Articles of Association for the FERB limited the ability of the committee to determine who was appointed to it and thus to influence its gender balance. It was agreed to seek clarification as to whether or not sector guidance relating to gender balance should be applied to nominated members or just to independent members.

APFE

Minute #4.12 (AP Financial Monitoring) – FERB sought reassurance in relation to actions and mitigation in place to ensure that the region's five incorporated colleges collectively achieve a breakeven position at 31<sup>st</sup> March 2017 in order to protect future income streams. The DoCR reported that dialogue was continuing between partner finance staff through a sub set of the Finance Directors Practitioners Group, however, there was presently no agreement around a process to coordinate and effectively plan for a collective breakeven position. However, one action that is being progressed is to defer payments until 1<sup>st</sup> April 2017.

FERB was concerned that appropriate strategic measures were not in place to manage this situation; also that individual colleges should be asked to defer or delay their own activities and expenditure to compensate for the financial difficulties of other partners and whether this was appropriate in the context of individual institutions being registered as charities.

## 2.3 **Review of delegated decisions: None**

## 2.4 **Partnership Council Minutes:**

FERB noted the minutes of the meetings held on 24<sup>th</sup> November 2016 and 11<sup>th</sup> January 2017 (FERB17-002 and FERB17-003).

FERB expressed concern that governance obligations driven by Scottish Government were becoming overly burdensome. The new FE Code of Good Governance was creating a compliance industry that was disproportionate to the risks involved. One example cited was the requirement to employ an appropriately qualified Board Secretary within each college. Members suggested that a light touch regime may be appropriate for assigned colleges and felt that some thought should be given to developing a regional approach with greater sharing of governance expertise and resources.

## 3 **CHAIRMAN'S REPORT**

The Chair provided a brief verbal report in relation to his recent activities.

FERB noted that the Chair had been working with the COOS recently to assist with the identification of capital and capital maintenance expenditure priorities required to populate the SFC national estates database. Partnership projects had been captured within a regional matrix document that would require regular review and updating to ensure that UHI was well-placed and able to act swiftly to take advantage of any capital funding opportunities that may become available.

## 4 **GOVERNANCE, PLANNING AND FUNDING ISSUES**

### 4.1 **SDS SIP Modern Apprenticeships Development Plan**

FERB considered the above draft plan (FERB17-004) and noted that SDS had invited comments and feedback prior to publication of a final approved plan in June 2017.

FERB was broadly supportive of the document and welcomed the opportunities it represented for the University to lead on the development and growth of modern apprenticeship programmes over the next three years.

One substantive issue was highlighted by FERB in relation to a need to expand the document to incorporate data on activities being undertaken in Perth and Kinross in order to provide a complete and coherent picture in relation to the work UHI was doing across the entire Highlands and Islands region.

SDS

#### **4.2 Student Activity Levels AY 2016/17**

FERB reviewed paper FERB17-005 providing an overview of the core credits achieved by each partner against agreed targets to date for AY 2016/17 and a comparison with prior year's performance. FERB was pleased to note that recruitment was ahead of profile thus indicating that regional targets were likely to be met.

#### **4.3 SFC & Education Scotland FE Quality Arrangements Update**

FERB noted paper FERB17-006 providing an update on revised quality arrangements for monitoring FE colleges that would involve a transition to annual self-evaluation as opposed to the current system of independent reviews.

#### **4.4 Bid to SFC for Additional Funding**

FERB noted paper FERB17-007 comprising a copy of a formal bid made to the Scottish Funding Council for the region to receive additional core credit funding. It was noted that SFC was currently considering the bid and that further information would be provided to FERB in due course.

VPFE

#### **4.5 Development of a Regional Outcome Agreement (ROA)**

The VPFE reported that work was progressing across the partnership to develop a new tertiary ROA for the three year period 2017/18 - 2019/20 for submission to SFC prior to a deadline of 31<sup>st</sup> March 2017. FERB noted that the draft ROA would be circulated to members prior to its submission.

VPFE

#### **4.6 UHI Work-based Learning Hub Update**

FERB considered paper FERB17-008 comprising a report of activities undertaken in 2016/17 and contractual arrangements for 2017/19. FERB noted that the hub was performing extremely well and that UHI was operating as a national leader in the delivery of Foundation Apprenticeships and the development of new work based learning pathways. FERB felt that there was a need to ensure that the university maximised positive media coverage in relation to this good performance.

P&amp;VC

#### **4.7 Academic Partner Financial Monitoring**

The DoCR presented paper FERB17-009 providing an overview of financial information on individual assigned colleges based on financial returns and including final accounts for 2015/16 and Q1 and Q2 resource returns for five incorporated colleges. FERB noted that three partners were currently experiencing financial challenges and were classified with "red" RAG status.

Broadly, the financial outlook remains challenging and there is a need to control and manage costs, improve efficiency and increase income across the partnership.

#### 4.8 National Bargaining

The VPFE reported that National Bargaining continued to present a significant challenge for many partners in terms of affordability and additional government grant would be required if colleges were to implement National Bargaining in 2017/18. FERB noted that the UHI tertiary model with partners forming an integral part of the University and other regional factors such as remoteness and traditionally lower wage rates meant that the University partners and the region was markedly different to other areas of Scotland with particular challenges to overcome and address that were complicated further by National Bargaining. FERB members suggested that there may be merit in formulating a special case for UHI partners with Scottish Government officials and it was agreed that this issue be remitted to the Partnership Council for further consideration.

P&amp;VC

#### 4.9 Moray College UHI Recovery Plan

The Principal of Moray College UHI presented paper FERB17-010 comprising a revised draft financial recovery plan for the college. It was reported that the Board of Moray College UHI had approved the plan on 2<sup>nd</sup> February subject to minor amendment. The University's Finance and General Purposes Committee would also consider the plan on 9<sup>th</sup> February 2017. A Voluntary Severance Scheme (VSS) was central to the plan and this scheme was dependant on receiving SFC financial support. The plan also included potentially optimistic projections for receipt of additional income for growth in HE activities.

The COOS reported that a meeting with SFC officials to discuss funding for the VSS would take place immediately following FERB.

#### 4.10 College Performance Indicators 2015/16

FERB was pleased to note the excellent performance of UHI colleges detailed within paper FERB17-011 comprising statistical performance data published by the SFC on 24<sup>th</sup> January 2017 and setting out individual college and regional performance indicators for session AY 2015/16 and benchmark data for the rest of Scotland.

#### 4.11 Regional Schools Update

FERB noted paper FERB17-012.

#### 4.12 Overview of Risk Assessment Process

The COOS reported that following a recommendation of the Scottish Government's Good Governance Task Group the SFC was currently developing a model for proactively risk assessing assigned colleges as a means for determining appropriate levels of engagement by responsible bodies. SFC recognised the need for a consistent approach to be applied across Scotland and UHI was in dialogue with SFC in relation to developing an appropriate model. Further information would be circulated to members in due course.

COOS

#### 4.13 Argyll College UHI Assignment

The COOS reported that some good progress had been made with regard to Argyll College achieving Assigned College status and it was expected that this would be in place before 1<sup>st</sup> August 2017.

#### 4.14 Colleges Scotland Learner Journey

FERB noted that members had received a presentation earlier in the day from the Principal of West Highland College UHI in relation to the above initiative. Slides would be circulated to all members following the meeting.

**5 RISK MANAGEMENT**

FERB considered paper FERB17-013 comprising the University's corporate risk register based on reports exported from the risk database on 1<sup>st</sup> February. The Head of Governance reported that a risk workshop was planned for 15<sup>th</sup> February to which all risk register owners had been invited, this session would provide an opportunity to review scoring methodology and processes and to consider a proposal in relation to identifying common risks for inclusion on all assigned college registers.

**6 ANY OTHER BUSINESS**

None.

**7 DATE OF NEXT MEETING**

Next meeting – The next scheduled meetings are 11<sup>th</sup> May and 13<sup>th</sup> September 2017.