

**University of the Highlands and Islands**

**Committee** Further Education Regional Board (FERB)  
**Date & Time** Wednesday 22 November 2017 at 14:00  
**Location** EO1 Ness Walk, Inverness  
**Purpose** Scheduled meeting  
**Quorum** Half plus one.

**Present**

Michael Foxley (Chair)	Holly Scrimgeour
Andrew Campbell	John Hutchison
Callum Stephen	Lydia Rohmer
Crichton Lang	Neil Stewart
David Sandison	Patrick O'Donnell
Diane Rawlinson	Peter Campbell
Grant Myles	Seonag Campbell

**In attendance**

Garry Coutts	Niall McArthur
Murray Easton	Nicholas Oakley (Secretary)
Chris O'Neill	Donald MacBeath

**Apologies**

Blair Sandison	Gordon McGuinness
Carrol Buxton	Peter Graham
Clive Mulholland	Roger Sendall
Clive Rowlands	Wilf Weir
Fiona Larg	Graeme Kirkpatrick
John Ross Scott	Aideen O'Malley
Bruce Ritchie	

Item		Action
1.	<p><b>Welcome</b>  <b>Welcome &amp; apologies</b>                      The Chair welcomed the members to the meeting and noted the apologies.  <b>Declaration of Interest</b>                      There were no declarations of interest.  <b>Notification of any other competent business</b>                      Members requested that the Strategic Investment Fund be discussed at the end of the meeting.</p>	
2.	<p><b>Minutes of meetings</b></p>	
2.1	<p><b>Previous minutes</b>                      Members approved the previous minutes of meeting held on 13 September 2017.</p>	
2.2	<p><b>Matters arising</b>                      The Chair noted that all the matters arising were items on the meeting agenda.</p>	
2.3	<p><b>Review of Delegated Decisions</b>                      There were no delegated decisions reported.</p>	
3.	<p><b>FERB effectiveness review</b>                      The Chair reported that both he and the Chair of Court would be speaking individually to college Chairs and board members on how they regard the future of FERB. The Chair noted that any future arrangements needed to be tertiary, with a mechanism for the Chairs to input into central decision-making.</p>	
4.	<p><b>National Bargaining Update</b></p>	

	<p>Members reviewed and noted the National Bargaining Update paper (FERB17-056), which confirms the distribution noted at the previous FERB meeting.</p> <p>With reference to the support staff pay-rise, it was reported that the SFC see this as a cost of living rise rather than harmonisation or implementation of the national pay scale, and as such do not see this as being funded by SFC. Orkney and Shetland are not implementing the increase (remaining with existing council arrangements), West Highland has partially implemented, and Argyll has not implemented. Discussions are ongoing to work out the final position for these colleges.</p> <p>The Chair noted his thanks to all those involved on the good work done on this. He also noted that the big issues are both £10.4M funding full year cost, and the work on a Highlands and Islands terms and conditions offer that needs further work with extreme urgency.</p> <p>Members heard that a paper at the last Partnership Council meeting had been approved that agreed there was significant merit for UHI to seek a tertiary contract and work was underway to capture both costs and a suitable terms and conditions package.</p> <p>An attending principal noted that a progressive academic structure was under discussion to give staff advancement opportunities but also allow management and monitoring of costs and efforts.</p> <p>FERB members were supportive of the T&amp;C activities and requested updates at future FERB meetings, noting again the tight deadline.</p>	
5.	<p><b>Further Education Student Activity Update 2017/18</b></p> <p>Members noted the Further Education Student Activity Update 2017/8 paper (FERB17-057) and in particular the following key points:</p> <ul style="list-style-type: none"> <li>• Moray have and continue to experience recruitment challenges and therefore ESIF credits assigned to them have been reassigned to Inverness and Orkney.</li> <li>• All other colleges are reporting that they are meeting or exceeding targets.</li> <li>• The biggest turnaround is at Perth, which was not reporting the anticipated recruitment challenge.</li> <li>• The predicted overtrading position at a few partners should cover any shortfall at Moray and reports providing a comparison to the previous year, indicated that both regional core and ESIF targets would be met.</li> <li>• Members discussed whether a cross-university network or support team in marketing was available to spread best practice to smaller/ less resourced partners. Members heard that a marketing practitioners' group meets monthly; members requested that greater collaboration should be sought to maximise marketing resource effectively across the region. This action would require Principals to empower their staff to work collaboratively on marketing strategies. Members also requested that a paper on student recruitment lessons learned/ best practice be produced for a future meeting.</li> </ul>	VP Tertiary
6.	<p><b>Regional Outcome Agreement Self-Evaluation Report</b></p> <p>Members noted the Regional Outcome Agreement Self-Evaluation Report paper (FERB17-058). Advance target setting (18 months in advance) mean some targets have proved difficult to set realistically and therefore attain. In others activity is significantly exceeding the target set. Work is underway to revise these targets. In line with SFC 'intensification' initiatives, there would be a focus going forward on key areas with other areas the region would seek to maintain the status quo. Regional growth of 1.2% for seventh year running, and satisfaction rates are above the national average, were welcomed by members.</p>	
7.	<p><b>Regional approach to modern apprenticeships</b> [moved from item 11 on the agenda]</p> <p>Members noted the Regional approach to modern apprenticeships paper (FERB17-060). The approach has been endorsed by principals and a regional contract submission to SDS is to be made for 2018/19.</p> <p>Members heard from SDS that over 80,000 jobs needed replacing in the H&amp;I region in the next 10 years. The SDS representative offered to speak to the FERB on the skills offer for the H&amp;I at a future meeting.</p> <p>The Chair and members congratulated the VP Further Education for her work on the regional MA developments.</p>	SDS
8.	<p><b>Flexible workforce development fund</b> [moved from item 12 on the agenda]</p>	

	<p>Members noted the Flexible workforce development fund paper (FERB17-061). Members heard that the region has £900k to spend on training for levy payers exclusively, and that the original deadline was for allocation by 15<sup>th</sup> December otherwise the opportunity would be lost. Members heard a number of factors for - and resulting in - the slow uptake and development of bids, namely, late issue of guidance from SFC, an inability to obtain a central list of Levy-payers from any Scottish agency, limitation of application to £10k per Levy payer and restriction on the training that was eligible. Guidance from SFC was being revised with little notification adding further complexity. FERB noted that the December deadline had been postponed to the end of February 2018. Bids are starting to be received and by the end of the week (26 November) £100k is expected to be committed.</p> <p style="text-align: right;">[GC and SC leave]</p>	
9.	<p><b>Moray recovery plan update</b></p> <p>Members noted the Moray recovery plan update paper (FERB17-059) and were pleased to hear that Moray was on track and in line with recovery plan, and that last AY Moray was significantly ahead of the plan. Members heard that the focus now was between balancing the requirements of the plan and investing in and generating third party income. Members discussed the issue of pensions highlighted by Moray, whereby the actuarial valuation is distorting the deficit. Members heard that the underlying actuarial assumptions appeared to differ across the colleges, and that this had been discussed at FGPC. The Chair requested that work around this be referred back to the finance directors to discuss what action could be taken to achieve greater consistency.</p>	DoCR
10.	<p><b>Perth ET Review Final Report</b></p> <p>Members discussed the Perth ET Review Final Report paper (FERB17-069), which provided a summary of the Final Report rather than the report in its entirety due to data protection concerns. Members heard that the full Anderson Strathern report was originally submitted as a paper for FERB to review to allow candid discussion about learning points, and that this was difficult to achieve with a summary paper. The full report is on the Perth College UHI website and in the public domain and members were encouraged to read the full report outwith the meeting and discuss matters further with the Perth College Chair if necessary. Overall, the conclusions of report were summarised as mistakes having been made, apologies given, and lessons learned.</p> <p>The Chair remarked on the thoroughness, transparency, and openness of the Perth Chair and board members in dealing with the incident.</p>	
11.	<p><b>Shetland update</b></p> <p>Members heard a verbal report on the progress of the Shetland/ NAFC merger. An application business case to SFC and an ongoing procurement exercise around contract management was reported, as was a slip in the projected timescales due to difficult in procurement of the required skill set. Funding on the stability fund to NAFC has not yet been finalised, and dialogue was underway with Shetland Isles Council to release this funding.</p> <p>The Chair, VP Further Education and Chair of Court took an action to speak to the existing Chief Exec of SIC before he leaves to try and bring progress back on track.</p>	Chair, VPFE, GC
12.	<p><b>Incorporated colleges integration progress report</b></p> <p>Members heard a verbal report from representatives of the incorporated chairs on the incorporated college's integration progress. There was no conclusion yet reached on what the structure might or should be, and the main discussion to date had been the commission of an independent piece of work to look at structural options available alongside a cost/benefit analysis. Further discussion on narrowing down options is to be conducted soon, and members were advised that SFC may be able to fund any emerging initiatives once completed and pending appropriate due diligence.</p> <p>FERB members noted the good progress made to date as well as the exemplary work done in keeping non-incorporated college Chairs informed.</p> <p>The chair reported on discussions between colleges in the West that had met to discuss approaches to collaboration. The following points were made:</p>	

	<p>The five colleges share a context of geography (situated in remote rural and island locations) with shared challenges of a recognised fragile rural economy in the West Highlands and Islands, including a dispersed and sparse population situated in remote rural and island locations, as well as issues with infrastructure, access to services, housing, transport, broadband and mobile connectivity as well as lack of investment to meet these challenges.</p> <p>Whilst 3 of the 5 colleges in the West share a business model of meeting the needs of its dispersed communities through multiple learning centres in those communities, there are serious questions of sustainability, due to maintaining high overheads to support a wide curriculum for small student numbers. Whilst this challenge is not new, the problem has been brought sharply into focus with national bargaining increasing the cost base for these colleges in some cases by up to 50% (Argyll/WHC).</p> <p>The two specialist colleges have a national and international remit, but offer provision which is also locally of significant importance for the economies of the West Highlands. Both colleges share issues of being small organisations, needing to reduce costs whilst protecting their mission and provision.</p> <p>This provides a context where the 5 colleges have an opportunity to collaborate in a number of areas to address risk and sustainability of their various specific local offerings and operations, by working together to maintain access to a wide curriculum for their learners, but also to create better opportunities for teaching and support staff to work together to share expertise and resources, develop specialisms and identify new opportunities, as well as lobby on shared local issues such as transport, housing and infrastructure investment.</p> <p>This initiative sits within the wider context of UHI's development to become a more integrated organisation, and will engage with other partners and initiatives for regional harmonisation and closer collaboration.</p> <p style="text-align: right;">[CL, HS, JH leave]</p>	
13.	<p><b>Core funding distribution – shortlife working group update</b></p> <p>Members noted the Core funding distribution – short life working group update paper (FERB17-062) and in the following discussion concerns were raised about overestimating credits as there were no in-year implications for failing to meet targets, which does not allow rationalisation of curriculum and promotes inertia rather than innovation. Members also heard a request that the regional approach to non-achievement of credit-target be the same as that adopted by SFC to ensure action is taken, and assistance to partners who are not meeting credit targets (cost reductions, marketing etc) should be sought to ensure that can hit targets in future years. DM explained the need to maintain stability at institutional level, avoiding unnecessary financial turbulence. He explained that difficulties in recruitment in any one year did not necessarily reflect a continuing trend of reduced demand. DM took an action to take this feedback to the SLWG for review</p>	DM
14.	<p><b>WBL Hub update</b></p> <p>Members noted the Work-Based Learning Hub Update paper (FERB17-063).</p>	
15.	<p><b>Academic Partner Financial Information and Monitoring</b></p> <p>Members noted the Academic Partner Financial Information and Monitoring paper (FERB17-064), and requested several changes to the content and layout of the report, including further RAG statuses, a 2-3 bullet point executive summary of issues for FERB to note, and accounts for AY only. The DoCR took an action on these and reiterated his offer</p>	DoCR

	to tailor the reports further at FERB's request.	
16.	<b>Colleges Scotland Matters: Rural and Remoteness Premium Consultation</b> Members noted the Rural and Remoteness Premium Consultation paper (FERB17-065), noting that the consultation closes on the 4 December, and were encouraged to make responses directly as well as endorse the regional response.	
17.	<b>The Learner Journey</b> Members noted the Learner Journey paper (FERB17-066).	
18.	<b>Final Audit Report on Student Activity 2016/17</b> Members noted the Final Audit Report on Student Activity 2016/17 paper (FERB17-067)	
19.	<b>Projected School Roles</b> Members noted the Projected School Roles paper (FERB17-068).	
20.	<b>Any other business</b> <b>Strategic Investment fund</b> – The criteria and timescales for approval were requested. Members were advised that these went to Partnership Council, but that these will be recirculated to Principals and Chairs. Members requested that the <b>risk register</b> be included on the next meeting agenda, and that the student residences project be evaluated for the risk register, with particular focus on the potential liability for the partnership. Members requested that a contractual evaluation of <b>future residences</b> as a paper for FERB.	DoCR  Clerk  DoCR
21.	<b>Date of next meeting:</b> 7 February 2018	