

University of the Highlands and Islands

Committee Further Education Regional Board (FERB)

Date & Time 15 May 2018 – 14:00-16:00

Location EO1 Ness Walk, Inverness

Purpose Scheduled meeting

Quorum 12 members – (No quorum after 15:30)

Present

Michael Foxley (Chair)	Andrew Campbell
Grant Myles	Diane Rawlinson
Peter Graham (in part)	Neil Stewart
John Hutchison	Blair Sandison VC
Bruce Robertson	Peter Campbell VC

Wilf Weir VC (in part)
Seonag Campbell VC

In attendance

Fiona Larg (in part)	Chris O’Neil
Roger Sendall	Margaret Antonson in part
Niall McArthur	Jackie Taylor in part
Lydia Rohmer	Donald Macbeath VC
Iain MacMillan VC	Graeme Kirkpatrick
Sue Macfarlane in part	

Apologies

Clive Mulholland	Garry Coutts
Angus MacLeod	Carroll Buxton
Bruce Ritchie	Crichton Lang
Clive Rowlands	Holly Scrimgeour
John Ross Scott	David Sandison
Linda Kirkland	Callum Stephen

Item		Action
1.	<p>Welcome</p> <ul style="list-style-type: none"> – Welcome & apologies <p>The Chair welcomed the members to the meeting and noted the apologies.</p> <ul style="list-style-type: none"> – Declaration of Interest <p>There were no declarations of interest.</p> <ul style="list-style-type: none"> - Notification of any other competent business <p>The following items were noted under AOCB:</p> <ul style="list-style-type: none"> - None 	
	<p>FE and HE Marketing - Presentation</p> <p>FERB received a presentation from Margaret Antonson, Jackie Taylor and Sue Macfarlane in relation to the marketing of HE and FE programmes by the University and by partners and in year management of FE credit activity and programmes to meet defined regional and local targets.</p>	
2.	<p>2.1 Minutes of meetings</p> <p>Members approved the minutes of the FERB meeting held on 20th February 2018 (FERB18-16).</p> <p>2.2 Matters Arising (FERB18-016b)</p> <p>Members reviewed the matters arising and noted that all items were either ongoing or on the meeting agenda to be discussed.</p> <p>2.3 Review of Delegated Decisions</p> <p>There were no reported delegated decisions.</p>	Exit MA, JT, SM.

3.	<p>CHAIR'S REPORT</p> <p>The Chair thanked the Director of Corporate Resources for providing members of FERB and Court with an informative workshop session earlier in the day focussing on the various returns and compliance requirements that formed the basis of financial reporting to the Scottish Funding Council from the University and from academic partners to the University in its capacity as the Regional Strategic Body for fundable education in the region.</p>	
4.	<p>GOVERNANCE, PLANNING & FUNDING ISSUES</p>	
4.1	<p>Integration Board: Update</p> <p>FERB was advised that the Minister for Further Education, Higher Education and Science would be meeting with some members of the Integration Board and a representative of the non-integrating partners on 18th May to discuss the proposal to integrate four colleges with the University. It was noted that this was viewed as a crucial meeting in the context of concerns raised by key stakeholders who had made representations about a perceived lack of engagement in discussions about a project that would be likely to affect all partners whether they were integrating with the University or not and because a successful integration would require political support to progress legislative changes. There was a risk that these messages may unsettle the Minister and present a serious risk to a successful integration. The IB was currently seeking to develop clear messages and to take appropriate action to allay/dispel any fears and concerns and to create a positive and inclusive environment around the integration project.</p> <p>It was noted that the non-integrating chairs did accept that the IB had attempted to conduct itself in an open and transparent manner at all times including inviting non-integrating colleges to observe meetings and through early engagement with staff, students and union representatives, however, there remained a high level of anxiety about the business case and vision for change and care was needed to ensure that all parties were kept informed and able to comment and contribute to discussion on issues that were likely to have an impact on their operations.</p>	
4.2/ 4.3	<p>Management of cut in student activity credits 2018/19 and Distribution of FE funding for 2018/19</p> <p>Items 4.2 and 4.3 (papers FERB18-17 and FERB18-18) were considered together.</p> <p>FERB noted that the notification from the Scottish Funding Council (SFC) in relation to their decision to reduce the region's credit allocation and associated funding had been received extremely late in the planning process and this was regarded as unjustified and unacceptable by FERB in the context of the region consistently exceeding its regional target year on year.</p> <p>It was reported that the decision had been taken by SFC on the basis of the regions latest FES2 return and an assumption by SFC that the partnership would fail to meet its core credit target in 2018/19. This assumption was disputed by partners who were currently forecasting to collectively exceed the regional credit target. Discussions were continuing with SFC in an effort to ensure that credits and funding were reinstated if the region could demonstrate that it had met its targets, however, there was currently no assurance from SFC that this would happen and some difficult planning decisions needed to be made now based on reduced FE income. It was noted that the Chair would press the SFC to reinstate funding for 2018/19 as soon as the final activity for credits and ESIF numbers was available.</p>	<p>Chair</p>

	<p>FERB noted that the Partnership Council and the Partnership Funding Group had held a number of meetings in an effort to identify an appropriate distribution model for FE funding in 2018/19 and that these deliberations had identified two potential options for 2018/19, however, neither option 1 or option 2 was palatable to all parties and a pragmatic approach was required in an effort to agree an acceptable compromise solution that worked best for the region.</p> <p>Following discussion it was recommended that FERB should adopt option 1 as set out within paper (FERB18-17) as the agreed methodology for distribution of the cut to core credits whereby the cut in core credits will be distributed amongst partners not making target at the year end. Should the cut in core credits exceed the number of credits by which partners fall below target, the remainder of the cut should be distributed amongst all partners (including those not making target). The cut should be imposed for a single year with a review undertaken to inform distribution the following year (2019/20).</p> <p>It was also recommended by a majority of members present that Option 1 (Table 1) as presented within paper (FERB18-18) should be recommended for approval by FERB, however, it was noted that this decision presented difficult challenges for some partners and that Moray and Shetland College did not support the recommendation.</p> <p>It was noted that a special meeting of FERB would be convened through the Chair to review any recommendations identified by the meeting and that If FERB was unable to reach agreement on the allocation of funding by a majority decision that the matter would need to be referred to the Finance and General Purposes Committee.</p> <p>The following issues and concerns were also highlighted and noted:</p> <ul style="list-style-type: none"> • FERB had consistently made representations to the SFC and Scottish Government in relation to securing appropriate additional rurality funding to address the particular challenges of delivering programmes in remote and rural locations. FERB remained committed to this principle and noted that the methodology of option 2 would better reflect this approach, with more money flowing to the most remote and rural partners, however, there was a challenge this year in that option 2 created financial turbulence and significant difficulties for larger partners who had consistently helped the region to meet core credit targets and to avoid clawback of funding to SFC because they had over delivered on their own targets in order to assist the region to meet the core and they had not received any additional funding for this. With all factors considered it was considered that option 1 represented the most appropriate model for the partnership in 2018/19, although, it was felt that this should be viewed as a transitional arrangement and that a review of funding and distribution methodology was needed to reflect the principles of rurality funding for rural areas and appropriate compensation for additional credit delivery done for the benefit of the region. For the avoidance of doubt FERB considered that rurality funding should be distributed in line with SFC guidance in future and that any transition arrangements should be discontinued by academic year 2020/2021. • There was a consensus view that funding was insufficient and it was suggested that the Principal and Vice Chancellor should be asked to provide additional resources to assigned colleges from University reserves or via a reduced top slice to ensure that all colleges received an overall uplift equivalent to a 1% rise on the previous year (HE&FE combined). 	<p>Exit PG & WW at 15:30 Quorum lost</p> <p>FERB Secretary</p> <p>Chair</p>
4.4	<p>Distribution of Capital Grant Funding for 2018/19</p> <p>FERB considered paper FERB18-19. It was recommended that option 2 be approved by FERB on the basis that this represented the best outcome for the smaller partners.</p>	

4.5	<p>Distribution of Student Support Funding for 2018/19</p> <p>FERB considered paper FERB18-20. It was recommended that FERB should approve the proposed allocation for 2018/19 as presented within the paper. It was noted that the allocation was based on the same pro-rata calculation that was used in 2017/18.</p>	
4.6	<p>Student Activity Monitoring</p> <p>FERB noted paper FERB18-21.</p>	
4.7	<p>National Bargaining Update</p> <p>FERB noted paper FERB18-22.</p>	
4.8	<p>College Performance Indicators 2016/17</p> <p>FERB was pleased to note paper FERB18-23 providing an overview of the regions good performance against national benchmarks.</p>	
4.9	<p>Tertiary Curriculum mapping Project</p> <p>FERB noted paper FERB18-24 setting out progress with the project to develop and implement an online curriculum mapping tool for academic year 2018/19.</p>	
4.10	<p>Single Policy Environment Update</p> <p>FERB noted good progress with the above project as outlined within paper FERB18-25.</p>	
4.11	<p>UHI Work Based Learning Hub Update</p> <p>FERB considered paper FERB18-26 and was pleased to note the growth in the number and range of modern and foundation apprenticeships and positive impact of the hub.</p>	
4.12	<p>AP Financial Monitoring</p> <p>FERB reviewed paper FERB18-27 and was pleased to note that the five incorporated colleges had worked effectively together to mitigate and manage the risks associated with failing to achieve a breakeven position in terms of resource returns at the end of March 2018.</p>	
4.13	<p>Shetland Integration Project Update</p> <p>The Chair of Shetland College reported that good progress was being made with the proposal to merge Shetland College and NAFC Marine Centre and that a formal proposal would be presented to the Shetland Islands Council the following week. A further progress report would be provided to FERB in due course.</p>	
4.14	<p>Flexible Workforce Development Fund Claim 2017/18</p> <p>FERB noted paper FERB18-28.</p>	
4.15	<p>Colleges Scotland Draft Think Piece.</p>	

	FERB considered paper FERB18-29 and noted its direct link with the Learner Journey initiative. The Chair invited members to submit comments on the paper via the VPFE.	
4.16	Regional STEM Hub Development FERB noted paper FERB18-30.	
4.17	UHI Estates Position Paper FERB considered paper FERB18-30a and highlighted a concern in relation to a significant increase in energy consumption between 2016 and 2017 of over £2M that required an explanation.	COOS
5.	AUDIT, RISK MANAGEMENT & REPORTING	
5.1	Corporate Risk Register FERB noted paper FERB18-031.	
6.	ANY OTHER BUSINESS The Chair reported that he would convene a special meeting to consider funding the decisions discussed earlier in the meeting. The Chair noted that this may be Grant Myles last meeting of FERB and he thanked him for his valuable and contribution to the work of the Board over the past four years.	
7.	DATES OF FUTURE MEETINGS: I. Special meeting TBC II. 12 September 2018 III. 21 November 2018	