

Board of Management

MINUTES of the MEETING of the BOARD OF MANAGEMENT held in the Boardroom, 1 Inverness Campus on Tuesday 20th December 2016

PRESENT:	Hazel Allen, Brenda Dunthorne, Brian Henderson, Louise James, Mick Longton, Helen Miller, Lindsey Mitchell, Diane Rawlinson, Gavin Ross, Gabriel Starr, Neil Stewart, Steve Walsh, Kate White
CHAIR:	Neil Stewart
APOLOGIES:	Jaci Douglas, Ryan McAdam, John Wilson
IN ATTENDANCE:	Depute Principal Director of Organisational Development Director of Business Development Interim Director of Corporate Services Head of Curriculum College Secretary

The Chair introduced David Archibald from Henderson and Loggie who was attending the meeting as an observer. Henderson and Loggie would be carrying out the externally facilitated effectiveness review of the Board of Management which was a requirement under the Code of Good Governance for Scotland's Colleges. This was the first stage of the review.

The Chair advised that a number of Board members were still en- route to the meeting and he therefore proposed to change the order of the agenda. This was agreed.

With reference to item 12 on the agenda, IIP Gold, which was for noting only, the Chair offered many congratulations to the Principal, the Director of Organisational Development and the staff of the College in achieving the IIP Gold award.

1. MINUTES

The Minutes of the Meeting of the Board of Management held on 6th October 2016 were agreed as a correct record, were approved and signed.

Lindsey Mitchell entered the meeting

2. PROMOTING ATTENDANCE POLICY

The Human Resources Committee, at its meeting on 1 December 2016 had considered a revised promoting attendance policy and subject to two minor amendments being made, had recommended it to the Board of Management for approval.

The Board of Management **APPROVED** the promoting attendance policy.

3. UHI PARTNERSHIP INFORMATION SECURITY ACCEPTABLE USE POLICY

The revised UHI partnership information security acceptable use policy had been through due college process for the approval of policies and the SMT had recommended it to the Board of Management for approval. The policy standardised the approach to Information Security across the partnership.

The Board of Management **APPROVED** the adoption of the UHI Partnership Information Security Acceptable Use Policy for use by the College.

4. HOSPITALITY AND IN-HOUSE CATERING 2015-16

A report by the Director of Business Development provided information on the first year of in-sourced Hospitality & Catering. The College had taken the decision to in-source its hospitality function at the end of the 2014/15 academic year. The primary reason for this was to increase opportunities for students to gain meaningful work experience in a commercial hospitality and catering setting, whilst being assessed by College staff.

The planned surplus of £7,500 was exceeded for the year at £29,599, representing a 4% contribution against a forecast of 2%. The turnover (sales) was significantly higher than forecast at £703K against £400K and the gross margin (% of product cost to sales) lower at 42% against a forecast of 58%. The main reason for this was the need to reduce prices in-year as a result of student feedback.

The Board of Management **NOTED** the very positive report and welcomed the increase in student numbers in hospitality.

5. STUDENT RECRUITMENT 2016-17 UPDATE

A report by the Depute Principal provided an update of student recruitment for 2016-17.

Total FE credits, as at 25th November, was 24,496, with the total credit target being 29,647. The college was still on track to meet its FE activity target for 2016-17 but January recruitment would be very closely monitored.

In relation to HE, the PPF target for funded undergraduate students in 2016-17 was 1622.9 FTE. The predicted actual at year end was around 1,550FTE. It was now clear that the college would not make its HE student activity target for 2016-17. However, the HE FTE activity would still be higher in 2016-17 than in previous years.

The Committee **NOTED** the position.

Brian Henderson entered the meeting

6. PRINCIPAL'S REPORT

A report by the Principal summarised the key activities of Inverness College UHI and sector-wide developments that had emerged during the past three months. There was discussion on the following:

- **UHI Developments**

Work was on-going to implement the agreed outputs of the UHI Strategy Working Group, not least the creation of three 0.5 Vice Principal posts that would be part of the UHI SMT.

In addition, it had recently been confirmed that John Sturrock QC had been appointed by the Deputy First Minister to take forward behavioural change on a consultancy basis.

The Board discussed these appointments and expressed their concern at some of the risks associated with the recruitment to these posts, not least the requirement to backfill senior positions on a 0.5 basis, the need to address issues of continuity in knowledge and experience and also the overall accountability of Principals, even if a Deputy was in an acting up role.

The Board **AGREED** that an invitation should be extended in due course to the three successful candidates as well as to the VPFE to meet the Board of Management.

- **Regional Outcome Agreement Development**

The development of the 2017/20 Regional Outcome Agreement was underway and it had been proposed that a fully integrated tertiary ROA be produced. This would be challenging as the regional structures within the UHI context were not yet integrated.

Principals of the academic partners had stressed the importance of their involvement in the writing of the ROA and target setting, given the new relationship with the quality assessment arrangements. The aim was to have a locally relevant ROA that also had a regionally strategic purpose.

The Board **AGREED** that it was important that the AP Principals be involved in the ROA development process.

- **The Learner Journey**

The Government was in the process of developing a Learner Journey Programme, which would be organised according to five key themes and which would be delivered over the next 4 years.

Scotland's Colleges had produced a Think Piece that proposed a cross-sectoral solution to the learner journey issue, citing Aberdeenshire as the exemplar to follow. Despite being challenged by several UHI Colleges, Scotland's Colleges was choosing not to include UHI as an illustration of seamless pathways through education or an alternative solution.

The Principal had proposed to the UHI SMT that the partnership develop an assertive marketing campaign highlighting the strengths of UHI and that all partners engage proactively with local stakeholder to get this message across.

The Board welcomed this approach and **AGREED** that the Chief Executive of Scotland's Colleges and Michael Foxley, who sat on the Colleges Scotland Board, be invited to meet representatives of Perth,

Inverness and West Highland Colleges to discuss the stance being taken by Colleges Scotland.

7. NATIONAL PAY BARGAINING

A report by the Director of Organisational Development provided a comprehensive update on the agreed negotiated settlements for academic and support staff in 2015/16, the agreed negotiated settlement for academic staff for 2016/17 and on the recently agreed settlement for support staff for 2016/17. The support staff settlement would be implemented in January 2017.

The Committee **NOTED** the conclusions and risk analysis as follows:-

- The college pay model was based on an objective job evaluation system and single table bargaining for all staff groups; this would be undermined by national settlements particularly if they continued to be based on flat cash.
- There was considerable pressure from academic unions to revert back to a 'Blue Book' approach which was not in keeping with the way colleges operated and did not reflect the UHI dimension.
- The SFC provided for the 15/16 and 16/17 pay increase. However, there was no extra money to pay for the proposed modernisation programme or harmonisation. This could considerably increase staff costs in the short, medium and long term.
- The pace of national negotiations had not allowed for full consideration of the relative costs and full impact assessment of the agreements entered into on our behalf.
- The introduction of national pay bargaining and the NJNC was politically instigated and was now reflected in formal governance arrangements.
- The College, in the form of the Principal and Director of Organisation Development, had a formal seat on the Employers Association.
- The Director of Organisation Development was now a sub for the Management side negotiators.

National Bargaining was likely to be a significant risk to the College going forward and the Board was pleased to note that it was already included in the strategic risk register. The risks to the UHI partnership were significant, particularly the impact of harmonisation for the smaller partners.

Hazel Allen entered the meeting

8. STRATEGIC PLAN 2017-2020

A report by the Principal provided an update to the strategic planning process which had engaged with staff, students and stakeholders to create ownership across the organisation and ensure continued relevance to the local, regional and national context. Following the Board Strategic Planning day in November, the Senior Management Team had considered the feedback from the Board Members and had made some changes to the draft plan.

The Board of Management **APPROVED** the strategic plan for 2017/20.

The Board had been asked to determine which committee should have oversight of each of the underpinning strategies but as many of these were interdependent, it was **AGREED**, following discussion, that a half day board session be put in place for this purpose so that all Board Members could contribute to the discussions.

The Board also made reference to the development of Performance Indicators which had been discussed briefly at the Strategic Planning day and **AGREED** to include further discussion on PI's in the half day board session.

9. AUDIT COMMITTEE ANNUAL REPORT TO THE BOARD OF MANAGEMENT

The Audit committee, at its meeting on 29 November 2016, had considered the Audit Committee's annual report to the Board of Management. The report, as required by the Code of Good Governance for Scotland's Colleges, covered the Committee's activity and the work of the College's internal and external auditors in 2015/16

The Committee had agreed that the report was an accurate reflection of what had been undertaken during 2015/16.

The Chair of the Audit Committee introduced the report and congratulated Management on the clean audit reports received but specifically the report on student activity data.

In response to a question about information governance and information security, the Audit Committee Chair confirmed that she had asked for a copy of the UHI audit report on ICT security.

The Board discussed briefly the UHI audit process and it was **AGREED** that the audit committee and other committees as appropriate, should receive a copy of both Inverness College and UHI audit reports.

The Board of Management **APPROVED** the Audit Committee Annual Report to the Board of Management.

10. AUDITED ACCOUNTS FOR YEAR END 31 JULY 2016

The Joint Audit/Finance and General Purposes Committee, at its meeting on 8 December 2016 had considered the annual audit report and the Financial Statements for the year ended 31 July 2016 and had recommended approval of same to the Board of Management. The independent auditor's report provided an unqualified opinion on the financial statements, on the regularity of transactions and on the consistency of the operating and financial review and the financial statements. They were also satisfied that there were no matters which they were required to report by exception.

The Chair of the joint Audit and F&GP committee referred to the underlying operating surplus of £283k and to a technical accounting deficit of £1.496m resulting from the accounting treatment of the NPD asset interest and pension contributions under FRS102.

The Board of Management **APPROVED** the final annual audit report and the Financial Statements for the year ended 31 July 2016 for submission to the Scottish Funding Council.

The Chair and Members of the Senior Management team left the meeting.

11. BOARD CHAIR EVALUATION

A report by the College Secretary made reference to the requirement for College boards of management to undertake annual evaluation exercises.

The Board collectively undertook an evaluation of the Chair.

The Board **NOTED** that under the terms of the Code of Good Governance for Scotland's Colleges, the Chair would also be evaluated by the Regional Strategic Body as he was appointed by the RSB and was personally accountable to it.

The Chair and Members of the Senior Management returned to the meeting.

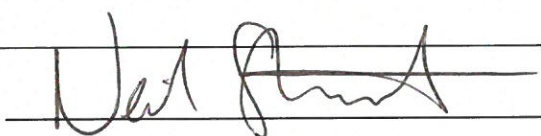
12. MINUTES OF MEETINGS OF BOARD COMMITTEES

The Board **NOTED** the meetings of the following committee meetings as follows

- a) Chairs Committee – 24 November 2016
- b) Audit Committee – 29 November 2016
- c) Human Resources Committee – 1 December 2016
- d) Learning and Teaching Committee – 6 December 2016
- e) Finance and General Purposes Committee – 8 December 2016
- f) Joint Audit and Finance and General Purposes Committee – 8 December 2016

13. DATE AND TIME OF NEXT MEETING

Tuesday 28th March 2017 at 4.30 p.m. (rescheduled date)

Signed by the Chair:	
Date:	<u>28/3/17</u>