

Meeting	Finance and General Purposes Committee
Date and time	Thursday 8 June 2017 at 8.45 a.m.
Location	Boardroom, 1 Inverness Campus

College Secretary
1 June 2017

AGENDA

Welcome and Apologies

Declarations of Interest

ITEMS FOR DECISION

1. **MINUTES**
Meeting of the Finance and General Purposes Committee held on 9 March 2017
2. **REVENUE BUDGET 2017/18 (Confidential)**
Report by Finance Services Manager
3. **PROPOSED FEES FOR 2017/18**
Report by Finance Services Manager
4. **SUPPORTING STRATEGIES**
 - a. **Business Development**
Covering report by Director of Business Development
 - b. **Marketing and Communications**
Covering report by Director of Business Development
 - c. **Estates and Infrastructure**
Covering report by Director of Organisational Development

ITEMS FOR DISCUSSION

5. **FINANCE MONITORING REPORT**
Report by Finance Services Manager
6. **CAPITAL EXPENDITURE PLAN REPORT 2016/17**
Report by Finance Services Manager
7. **GALLIFORD TRY FACILITIES MANAGEMENT (GTFM) MONITORING REPORT (Confidential)**
Report by Director of Organisational Development

8. **BUSINESS DEVELOPMENT REPORT**
Report by Director of Business Development
 9. **RISK REGISTER ANNUAL REVIEW**
Report by Acting Principal
 10. **NEW FINANCE SYSTEM PROJECT (Confidential)**
Report by Financial Services Manager
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ITEMS FOR NOTING

11. **STUDENTS' ASSOCIATION BUDGET 2017/18**
Report by Finance Services Manager
12. **INTERNATIONAL STRATEGY**
Covering report by Director of Business Development
13. **AUDIT REPORTS - RECOMMENDATIONS**
 - a) **PROCUREMENT AND CREDITORS/PURCHASING**
 - b) **IT NETWORK ARRANGEMENTS**Covering report by Secretary to the Board of Management
14. **DEBT WRITE-OFF REPORT**
Report by Finance Services Manager
15. **AOCB**
16. **DATE OF NEXT MEETING**
Thursday 28th September 2017 (provisional)

Board of Management

MINUTES of the MEETING of the FINANCE AND GENERAL PURPOSES COMMITTEE held in the Board Room, 1 Inverness Campus on Thursday 9 March 2017

PRESENT:	Brian Henderson, Helen Miller, Diane Rawlinson, Gavin Ross
CHAIR:	Brian Henderson
APOLOGIES:	Brenda Dunthorne, Mick Longton
ATTENDING:	Depute Principal Director of Organisational Development Finance Services Manager College Secretary

1. MINUTES

The Minutes of the Meeting of the Finance and General Purposes Committee held on 8 December 2016 were **ACCEPTED** as a correct record, were **APPROVED** and signed.

Matters arising

Item 4 - Finance Monitoring report

As the appointment of the Finance Project Manager had been delayed, the Principal confirmed that the profiling across some budget headings would not be carried out until next academic year.

2. SUPPORTING STRATEGY - PROCUREMENT

A covering report by the Finance Services Manager provided the background and context to the revision of the Procurement Strategy. There had been significant changes to the procurement landscape within which the College must operate. New legislation placed a number of requirements on the College in relation to how it procured and the records it held and made available. The College had to evidence that it was managing the procurement activity to ensure it acted in a compliant manner and was securing best value in purchasing and procurement. The Procurement Strategy was a key tool in driving this forward.

The Committee discussed the strategy at length and asked a range of questions on the strategy and on the action plan which included the proposed KPIs.

The committee discussed

- the use of the wording “consider” or “give consideration to” rather than having a more definitive statement. The use of this wording gave more flexibility in trying to achieve best value but did not give assurance that the matter in hand would actually be implemented
- the feasibility of re-investment of resulting savings and efficiencies

- reporting timeframes which it was confirmed would be improved with the adoption of the new finance system

The Committee **AGREED** to recommend the Procurement Strategy to the Board of Management for approval subject to a number of amendments as follows:-

- that definitive actions be identified where the wording “consider” or give consideration to” was used
- A target be set for the publishing of the annual procurement report (a particular committee cycle) and that it be added to the action plan
- A target be set for compliance and induction training
- Identify a KPI for the list of the top 10 contractors by value
- The KPI’s to be made smarter and to make use of trends
- The inclusion of an overarching KPI on savings achieved
- cross references be made to other strategies as appropriate
- e invoicing - recognition within the strategy that this would be a journey

3. **FINANCE MONITORING REPORT – JANUARY 2017**

A report by the Finance Services Manager provided the results of the financial monitoring exercise for the 6 months to January 2017. The key points discussed were:

- The year to date position, for the 6 months to January 2017, showed the net operational position was £573,000 below the budget level. Income, at £661,000 below the budget level and expenditure at £88,000 below budget level, contributed to the variation at the end of the period.
- The year-end position showed a forecast net operational deficit of £1,057,000 compared with the budget level of £0. The variance in deficit related to the adjusted values to be applied in respect of deferred capital grant income. Deferred grant had been recalculated in line with the required accounting in respect of the new campus arrangements. The original budget was set prior to agreement on the correct accounting. This had resulted in negative variance. Discussions were still ongoing with SFC on how they wanted to deal with this. This was a technical deficit, not a deficit in cash terms and the question was raised as to whether this would inhibit future deposits to the ALF.
- Overall, the projected outturn of £1,057,000 was a realistic assessment of the College’s current financial position. The forecasted activity figures for FE were positive at this time. The HE activity was forecast to be higher than 2015/16 although below the target set at the beginning of the year. The impact of this on the overall Income & Expenditure Accounts surplus/deficit would be mitigated through careful management of temporary staff levels and other expenditure.
- It was confirmed that the Finance team was actively working on the reduction of days for student debt

The Committee **NOTED** the financial position and **AGREED** that

1. it should be kept informed of developments around deferred grant treatment and

2. in future the report should focus on highlighting exceptions, that explanations and analysis be improved and actions identified.

4. CAPITAL EXPENDITURE PLAN REPORT 2016/17

A report by the Finance Services Manager provided an update on the Capital Expenditure Plan for 2016/17, as at January 2017.

The grant funding from SFC for FE capital for 2016/17 was now £202,051 (previously notified as £187,000). The capital funding from UHI was £393,793 (previously notified as £344,000). There had been a number of options which were looked at in relation to the split of funds but these figures reflected the final allocation approved by FERB and HEPPRC.

The expectation was that funds would have to be spent by 31 March 2017. However, due to the late notice of the extensive additional allocations, SFC had given approval for an extension on HE spend until 31 July 2017. However, all funds must be defrayed by 31 July 2017.

Overall, the Capital Expenditure Plan for 2016/17 showed a projected outturn figure of £595,844, the same as the funded amount for the year. Although the spend to date was still relatively low, there had been significant procurement activity in the last few months with a view to ensuring that funds were spent within the required timeframe.

The Committee discussed the report and were pleased to **NOTE** that a detailed asset register was being developed. An investment strategy which would identify the need for new equipment would then be prepared which would allow the College to proactively plan ahead with investment spend.

5. BUSINESS DEVELOPMENT REPORT

The Principal referred to the report by the Director of Business Development which gave a summary of performance and budget monitoring across the key business development teams, namely business solutions, SDS contracts, CREATE and international development.

The Chair noted that the timelines for the sector strategies which were under development had not been included in the report. The Principal advised that the priority for the Director of Business Development had been the development of the supporting strategies and confirmed that the timelines would be included for the next meeting in June.

The Committee was pleased to see the wide range of continuing activity and **NOTED** the budget variations in both income and expenditure in each of the teams.

6. GALLIFORD TRY FACILITIES MANAGEMENT (GTFM) MONITORING REPORT / ESTATES AND CAMPUS SERVICES

In line with the agreed contract monitoring arrangements, GTFM provided a monthly status report relating to the NPD assets at Inverness Campus and Balloch. A report by the Finance Services Manager provided summary information in relation to a number of areas including performance of the estate, deductions and the status of outstanding requests.

The level of deductions reported in the January 2017 report showed a significant reduction from previous months, however the figures had yet to be agreed in line with the payment mechanism.

The Committee **NOTED** the main issues and were given an assurance that any Health and Safety matters were being resolved as a matter of priority by GTFM.

The following item was included in the agenda for noting only and therefore no discussion took place at the meeting.

7. DEBT WRITE-OFF REPORT

A report by the Finance Services Manager provided information on the debts which had been written off by the Principal under delegated authority.

8. AOCB

Director of Corporate Services

The Principal confirmed that Moray College had agreed to share a post of Director of Finance. The recruitment consultants were in place, the job description had been refreshed and job evaluation would be carried out. As Estates and ICT would not be included in this new role, adjustments to the responsibilities of members of the SMT would be required.

9. DATE OF NEXT MEETING

Thursday 1 June 2017 at 9.00 a.m.

Signed by the Chair: _____

Date: _____

Board of Management

Subject/Title:	Proposed Fees 2017/18		
Meeting and date:	Finance & General Purposes Committee – Thursday 8 June 2017		
Author:	Fiona Mustarde, Financial Services Manager		
Link to Strategic Plan:			
Cost implications:	Yes If yes, please specify: Loss of income		
Risk assessment:	Yes / No (<i>delete as applicable</i>) If yes, please specify: Financial: Operational: Organisational:		
Status – Confidential/Non confidential	Non-confidential		
Freedom of Information Can this paper be included in “open” business	Yes		
If a paper should not be included within “open” business, please highlight below the reason.			
Its disclosure would substantially prejudice a programme of research (S27)		Its disclosure would substantially prejudice the effective conduct of public affairs (S30)	
Its disclosure would substantially prejudice the commercial interests of any person or organisation (S33)		Its disclosure would constitute a breach of confidence actionable in court (S36)	
Its disclosure would constitute a breach of the Data Protection Act (S38)		Other (please give further details)	
For how long must the paper be withheld? (express either as the time which needs to pass or a condition which needs to be met.)			

Recommendation(s)

The Committee is asked to recommend to the Board of Management approval of the proposed schedule of FE fees, nursery fees and other course fees for 2017/18 set out in the attached appendices. The HE fees are provided for noting as these are set and approved by UHI.

Purpose of report

To present the proposed fee charges for 2017/18 to the Committee.

Proposed 2017/18 Fees

Under the terms of the Further and Higher Education (Scotland) Act 1992, College Boards of Management are required to set and charge fees for education provision with some exceptions. The full time fee rates are not within our control and both FE and HE full time rates remain at the same level as previous years.

A proposed schedule of fees for 2017/18 has been set out in the appendices.

Higher Education (HE) Fees

In the case of HE fees, there is agreement through UHI Executive Board that all Academic Partners (APs) will levy uniform fee charges, which UHI have now set.

Full time fees have also been announced by Scottish Funding Council (SFC) as part of the HE sector funding settlement. Part-time fees and those for non-EU students for HE level courses have been considered and set by UHI's Board of Governors and are shown within appendix 1.

Further Education (FE) Fees

For FE courses, full-time fees are set nationally. Part-time FE level course fees remain to be set by colleges' Boards of Management locally.

Increases of approximately 5% have been built into proposed FE part-time fee rates for 2017/18. This is higher than the prevailing rate of inflation, and reflects the anticipated increase in the staffing cost of delivery. The most recent published figures for inflation for April 2017 are 2.7% (CPI measure) and 3.5% (RPI measure), including mortgage interest payments.

In the case of overseas students, the College policy has been to set a fee that broadly equates income from these students to combined fee and grant income received by the College for home and EC students.

The proposal is to take the current fee for these students in 2016/17, which is £5,240 and increase this to £5,500 for 2017/18, an increase of 5%.

All part-time courses for overseas students are charged at circa four times the standard rate for EU students; as such it is proposed that these fees are also increased by approximately 5%.

Fee Waivers

FE fee waivers will continue to be available in 2017/18 to eligible students under the SFC scheme. Fee waiver grant forms part of the funding received from SFC to compensate for revenues lost by Colleges as a consequence of not making direct charges to students. This is included within the main core grant and not paid separately. As a UHI college, fee waivers are only available at FE level and not for HE activity. Part-time HE students must apply to the Students Awards Agency for Scotland (SAAS) for funding.

Commercial Course Fees

It has not been possible to finalise the proposed commercial course fees for 2017/18 at this time. A number of courses require to have the current fee structure reviewed and the impact of the national pay agreement also requires to be taken account. The Business Solutions team are working towards a final draft proposal for the Board of Management.

Nursery Fees

The attached appendix shows both the current charges for nursery provision in 2016/17 and the proposed rates for 2017/18. The rates have been set through reviewing the costs of the provision and the charges levied by comparable nursery providers in our area.

Professional Development Award (PDA) and Other Fees

There are some courses which are priced independently to take account of the activity required for successful delivery. Some of these courses, such as the Scottish Vocational Qualifications (SVQs), relate to activity which is largely delivered under contractual arrangements with employer organisations. The appropriate time to review these rates will be at contract renewal.

TUITION FEES

	2016/17 Fee (£)	2017/18 Fee (£)
FULL TIME COURSES		
SC & EU Students - HNC/D	1,285	1,285
SC & EU Students - Degree Courses	1,820	1,820
RUK Students - HNC/D	6,510	6,510
RUK Students - Degree Courses (note 2)	8,000	8,000
RUK Students - Degree Courses BSc, BEng (note 2)	9,000	9,000
PART TIME COURSES		
HN SQA modules / units		
0.5 Credit SC & EU	43	43
1 Credit SC & EU	86	86
Double Credit SC & EU	172	172
RUK per SQA credit	434	434
Undergraduate modules		
SC & EU - per 20 credit module (note 1)	215	215
SC & EU - structured part-time	644	644
RUK per 20 credit degree module - Arts	1,340	1,340
RUK per 20 credit degree module - Science	1,500	1,500
RUK per 20 credit degree online module - Arts	900	900
RUK per 20 credit degree online module - Science	1,020	1,020
Postgraduate Progs (MSc):		
UK & EU fee per 20 credit module	520	520
UK & EU fee for dissertation (equiv 60 credits)	1,560	1,560
UK & EU fee (120 credits plus dissertation)	4,680	4,680
RUK fee per 20 credit module	650	650
RUK fee for dissertation (equiv 60 credits)	1,950	1,950
RUK fee (120 credits plus dissertation)	5,850	5,850
International Students - Full Time Courses		
Degree Courses - Arts, Humanities, Social Sciences, Business	10,000	10,000
Degree Courses - Science and Technology (min 90 credits)	11,000	11,000
HNC/D - Arts, Humanities, Social Sciences, Business (min 12 SQA credits)	6,510	6,510
HNC/D - Science and Technology (min 12 SQA credits)	6,510	6,510
International Students - Part Time Courses		
Per 20 credit degree module – Arts	1,680	1,750
Per 20 credit degree online module – Arts	900	963
Per 20 credit degree module – Science	1,840	1,925
Per 20 credit degree online module – Science	1,020	1,060
Per single SQA credit - Arts	434	434
Per single SQA credit – Science Subjects	434	434
International Students - Postgraduate MSc		
Per 20 credit degree module	820	852
Int fee for dissertation (equiv of 60 credits)	2,460	2,556
Int fee (120 credits plus dissertation)	7,380	7,660
UHI Diploma in Counselling		
Year 1 - 40 Credits (P/T) SCQF Level 7 (COSCA Certificate)	430	430
Year 2 - 80 Credits (P/T) SCQF Level 7	860	860
Year 3 - 120 Credits (F/T) SCQF Level 8	1,285	1,285

SC = Scottish Domiciled Students

RUK = Rest of UK Students

EU = European Union Member States Students

UK = both Scottish Domiciled and RUK

International = Students not covered by the above

All HE fees set by UHI

Note 1: All degree modules from 12/13 are 20 credit modules. Previous years fee was based on 15 credit modules

Note 2: Maximum charge for full degree capped at 3 years - final year is "free". Existing students to remain on the SC & EU rate.

TUITION FEES

	2016/17 Fee (£)	2017/18 Fee (£)
FULL TIME COURSES		
Non-Advanced (FE) level ie NC/NQ:		
Home and EU students	1,008	1,008
RUK Students	5,240	5,500
International Students	5,240	5,500
PART TIME COURSES		
Non-Advanced (FE) level:		
SQA modules / units		
0.5 Credit	53	56
1 Credit	105	112
Double Credit	210	224
NQ Higher – all levels (including 1 examination entry)	302	317
Intermediate 2	302	317
European Computer Driving Licence (ECDL Essentials)	203	213
European Computer Driving Licence (ECDL Extra)	270	284
Advanced ECDL (per unit)	163	171
English for Speakers of Other Languages		
ESOL - Lower Elementary to Upper Intermediate per course	522	548
ESOL Advanced	698	733
PART TIME COURSES - International Students		
Non-Advanced (FE) level:		
SQA modules / units		
0.5 Credit	212	224
1 Credit	424	448
Double Credit	849	896
NQ Higher – all levels (including 1 examination entry)	1,176	1,235
Intermediate 2	1,176	1,235
European Computer Driving Licence (ECDL Essentials)	811	852
European Computer Driving Licence (ECDL Extra)	1,080	1,134
Advanced ECDL (per unit)	651	684
English for Speakers of Other Languages		
ESOL - Lower Elementary to Upper Intermediate per course	2,101	2,206
ESOL Advanced	2,816	2,957

Inverness College Nursery Fees

		IC wef 1 Aug 16	Proposed IC wef 7 Aug 17
Babies & Toddlers (0-3)	Weekly	200.00	210.00
Early Years (3-5) (pre council funding)	Weekly	182.00	190.00
Babies & Toddlers (0-3)	Daily	41.00	43.00
Early Years (3-5) (pre council funding)	Daily	38.00	40.00
Babies & Toddlers (0-3)	Session	22.00	23.00
Early Years (3-5) (pre council funding)	Session	21.00	22.00

NO FEE WAIVERS FOR THESE COURSES	2016/17 Fee (£)	2017/18 Fee (£)
PDA		
Leading and Managing Care Services - per course *	968.00	
SVQ 3 - Health & Social Care for Children & Young People - no College assessor	600.00	600.00
SVQ 3 - Health & Social Care for Children & Young People - with College assessor	1,200.00	1,200.00
SVQ 2 Health and Social Care	750.00	815.00
SVQ 3 Health and Social Care	1,030.00	1,115.00
SVQ 2 Barbering (Evening) 2 year course (£500 pa)	1,000.00	1,010.00

* awaiting confirmation from Orkney College as course leader

Board of Management

Subject/Title:	Business Development Strategy		
Meeting and date:	Finance and General Purposes Committee - 8 June 2017.		
Author:	Georgina Parker, Director of Business Development.		
Link to Strategic Plan:	Opportunity and Growth in Sustainability.		
Cost implications:	None arising directly from this report.		
Risk assessment:	Yes If yes, please specify:		
Status – Confidential/Non confidential	Non-confidential.		
Freedom of Information Can this paper be included in “open” business	Yes.		
If a paper should not be included within “open” business, please highlight below the reason.			
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For how long must the paper be withheld? (express either as the time which needs to pass or a condition which needs to be met.)			

Recommendation(s)

The Finance and General Purposes Committee (FGPC) is asked to recommend the Business Development Strategy to the Board for approval.

Purpose of report

To present the Business Development Strategy to the board for approval.

Background

The Business Development function within the college was historically made up of two teams, one concerned with developing and selling commercial short courses the other with

managing contracts to deliver Modern Apprenticeships and other SDS funded programmes. Both teams worked independently of each other, often with the same employers, to offer specific products.

In 2016/17, the services of the teams were merged to form a single offer to businesses known as Business Solutions. The Business Solutions service is centred on building relationships with employers, with team members allocated to vocational sectors. This enables them to build their skills and knowledge of factors affecting each industry, increasing their ability to offer tactical and strategic solutions to business problems.

Communication and partnership working with curriculum and research colleagues is essential to the success of our work with employers. Team members work closely with Programme Delivery Managers and Programme Coordinators to review and re-design delivery models and provide increased flexibility to meet employer expectations. Significant progress has been made and needs to continue if Inverness College UHI is to compete with private providers, central belt Colleges and Universities.

Solutions provided to Employers are increasingly multi-faceted, including for instance: tailored Engineering frameworks developed for timber producers or fisheries; train the trainer programmes and consultancy.

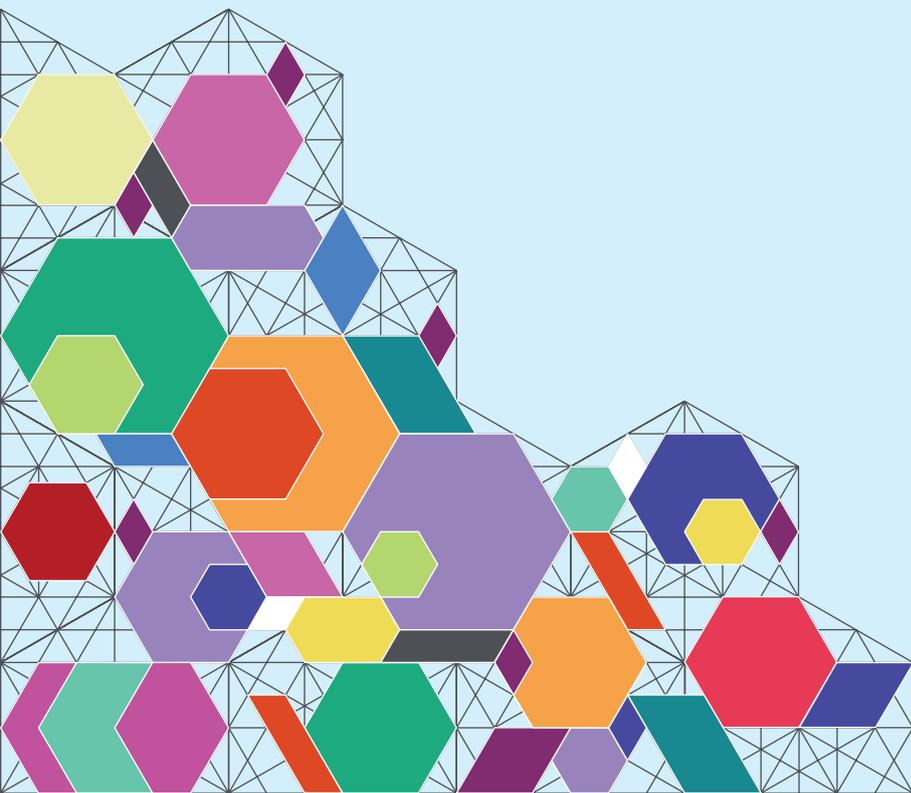
Sector Development Plans are being devised, in partnership with curriculum colleagues, to identify and prioritise opportunities for growth and diversification.

The new Business Development Strategy identifies the following strategic objectives:

1. To inform the continued development of the College's curriculum to meet the needs of business
2. To be the training and education provider of choice in Inverness and the Highland region
3. To grow and diversify the College's funding for training, education and research
4. To maximise commercial and community engagement with the College

START
TOMORROW
TODAY

Business Development Strategy



University of the
Highlands and Islands
Inverness College

Business Development Strategy 2017-2020

How to use this strategy

It is intended that this strategy will provide clear direction to the Board of Management, staff and stakeholders of Inverness College UHI on our strategic approaches to Business Development.

Staff should make use of this strategy when creating their Operational Plans.

Context

The College's Strategic plan articulates two main themes in relation to its strategic aims: opportunity and growth. Business Development, for the purpose of this strategy document, can be described as the activity required to identify and exploit opportunities to support growth – both in curriculum and related commercial activities.

A strategic approach has been taken to harness the opportunities arising from the new campuses, significant infrastructural investment in Inverness through the City Region Deal and growth in a range of sectors such as tourism and health related industries. Sector development plans are being developed and implemented to prioritise resources to support local and regional economic development.

Whilst there is an organisational responsibility for business development in its widest sense, the College has recently refocussed its approach under the "Business Solutions" brand. Business Solutions provides a 'one stop shop' through which industry can access the full range of college services and influence curriculum development.

Strategic Objective 1:

To inform the continued development of the College's curriculum to meet the needs of business.

We will achieve this by:

- Liaising with local industry, employers and relevant agencies to gain an understanding of current and future business needs.
- Devising, implementing and regularly reviewing Sector Development Plans, using a range of data and information sources to enable identification of opportunities to grow and extend curriculum offers, including research.
- Supporting Managers to develop or adapt training, education and research to meet the needs of business.
- Working with the Marketing and Communications Team to promote the College's "Business Solutions" service offer to Businesses

- Continuously reviewing and supporting improvements to the quality, flexibility and responsiveness of our services to businesses.

Strategic objective 2:

To be the training and education provider of choice in Inverness and the Highland region.

We will achieve this by:

- Supporting the development and delivery of solutions for business, in response to current or emerging demand
- Developing strong relationships with our customers, providing an 'Account Managed' service to businesses
- Offering an exceptional level of customer service through our Business Solutions function
- Developing and implementing targeted marketing plans, maximising the use of the Customer Relationship Management system
- Continuously reviewing and supporting improvements to customer satisfaction

Strategic objective 3:

To grow and diversify the College's funding for training, education and research.

We will achieve this by:

- Identifying opportunities to access funding to meet the needs of local and regional businesses, including: education, skills, knowledge transfer and research
- Working with colleagues to identify and develop opportunities to commercialise research and other college activities
- Further developing partnerships with funding and referral agencies
- Supporting businesses to identify appropriate Apprenticeship opportunities: Foundation, Modern and Graduate.
- Working with employers to develop and implement employability programmes to meet their recruitment needs

Strategic objective 4:

To maximise commercial and community engagement with the College.

We will achieve this by:

- Supporting the delivery of a range of sector based events
- Hosting high profile non-college events, which link to our curriculum or support the interests of the wider community
- Developing social and digital media capability to increase engagement with businesses and communities
- Further developing links with community representative bodies and external agencies

Key Performance Indicators

KPI
Increase commercial course income year on year.
Increase margin from a baseline of 0.8% in 15/16 to 15% in 16/17 and annually thereafter.
Increase Modern Apprenticeship contract value from £350K in 2016-17 to £400K in 17/18 and 450K in 18/19.
Increase employer satisfaction rating to 80% in 2017 and by 2% per annum thereafter.

Cross Reference to Strategic Plan

This strategy links to the following strategic aims:

Strategic Aim
<p>Student Life</p> <p>We will build a vibrant campus community that all of our students are proud of, and within which they are engaged and supported to reach their potential. We will strengthen our existing relationships between our students, staff, employers and the wider community to further increase student participation and the student voice</p>
<p>Curriculum</p> <p>We will offer a progressive curriculum that is valued by our students, employers and the communities we serve, and that is delivered in a variety of ways to make it accessible to all. We will ensure the curriculum remains relevant, responsive to demand and aligned with employment opportunities, providing a range of progression pathways that contribute to the economic growth and social cohesion of our region.</p>
<p>Professional Practice</p> <p>Recognising that people have the greatest influence on our success, we will operate in a positive culture where we stretch ourselves to deliver the highest standards of service, support and delivery that exceeds expectations.</p>

Organisational Development

As a highly regarded organisation, we will attract and retain talented employees committed to achieving shared goals. We will create a supportive, collaborative and dynamic environment where students and staff are inspired to learn and develop. Our high performance culture will be underpinned by a dispersed leadership model, within which teams are empowered to deliver and share accountability for outcomes.

Research and Innovation

We will build upon our successes in research by strengthening our impact and excellence and growing our regional and international reputation. We will continue to support and grow an innovative and inspired postgraduate researcher community. Our research will directly inform innovation and entrepreneurship activity in key sectors regionally and internationally

Sustainability

We will ensure our continuing financial stability by developing income streams and promoting efficient, effective service delivery. We will work collaboratively to enhance the prosperity of the regional economy. We are committed to acting responsibly by protecting our environment, maintaining and developing our infrastructure and managing our risks.

Board of Management

Subject/Title:	Marketing and Communications Strategy.		
Meeting and date:	Finance and General Purposes Committee – 8 June 2017.		
Author:	Georgina Parker, Director of Business Development.		
Link to Strategic Plan:	Opportunity and Growth in Sustainability.		
Cost implications:	None arising directly from this report.		
Risk assessment:	Yes If yes, please specify:		
Status – Confidential/Non confidential	Non-confidential.		
Freedom of Information Can this paper be included in “open” business	Yes.		
If a paper should not be included within “open” business, please highlight below the reason.			
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Its disclosure would constitute a breach of the Data Protection Act (S38)		Other (please give further details)	
For how long must the paper be withheld? (express either as the time which needs to pass or a condition which needs to be met.)			

Recommendation(s)

The Finance and General Purposes Committee (FGPC) is asked to recommend the Marketing and Communications Strategy to the Board for approval.

Purpose of report

To present the Marketing and Communications Strategy to the Committee for approval.

Background

Marketing and Communications is key to supporting the themes of opportunity and growth identified in the Strategic Plan 2017-2020.

The Marketing and Communications function currently consists of the College's Marketing and Communications Manager, together with Public Relations (PR) support from an external agency. This year, the College will in-source its PR function, employing a full time member of staff for the same cost as the current five hour per month agency contract. This represents an opportunity to undertake significant PR activity, aligned with the College's strategic priorities.

There is potential to significantly enhance internal communications, promotional activity and public relations using emerging technologies, to meet student recruitment targets and support organisational development through encouraging applications for staff vacancies.

The new college branding, developed in 2016-17, illustrates opportunity through the "Start tomorrow today" strapline and growth through the helix imagery. The current college branded materials have supported an integrated marketing and communications approach, which has been well received by customers and stakeholders, receiving recognition in the Customer Service Excellence report.

The Marketing and Communications Strategy links to all strategic aims, as effective internal and external communications is essential to support the delivery of the strategic objectives and ensure growth targets are met.

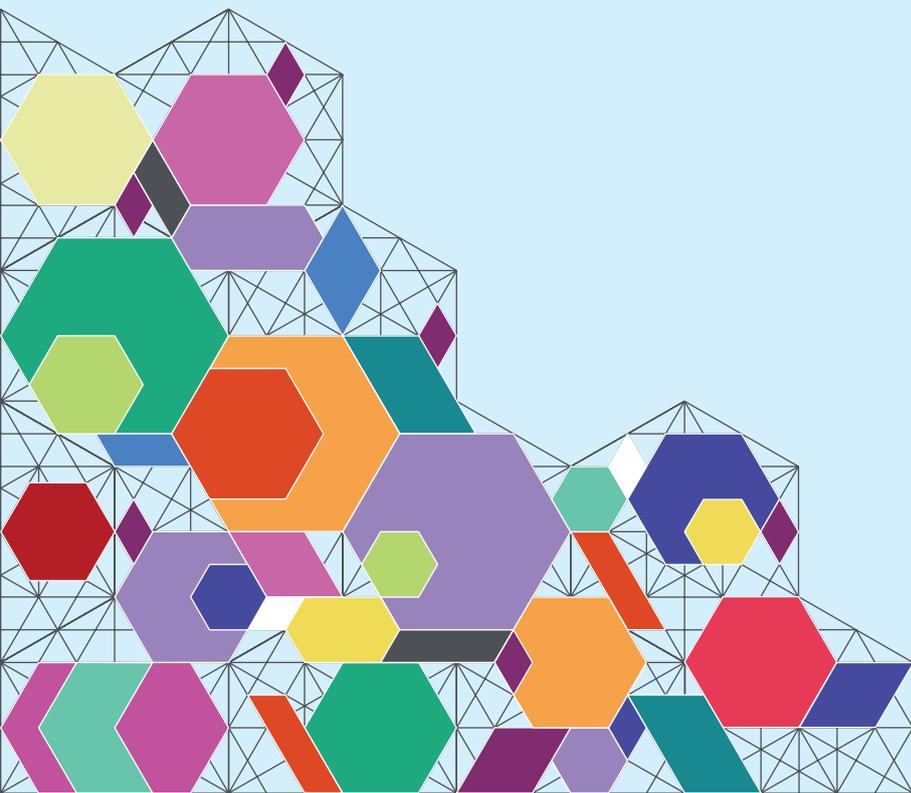
The strategy relies upon extensive cross college support and adherence by all staff to the college's commitments, to achieve our aspirations for growth.

The five strategic objectives for Marketing and Communications are:

1. To position Inverness College UHI as the provider of choice for high quality tertiary education and training
2. To increase student applications and enrolments to meet recruitment targets
3. To increase commercial and non-mainstream income
4. To support the growth of research participation and income
5. To increase the College's profile and reputation in local, regional national and key international markets

START
TOMORROW
TODAY

Marketing & Communications Strategy



University of the
Highlands and Islands
Inverness College

Marketing & Communications Strategy 2017-2020

How to use this strategy

It is intended that this strategy will provide clear direction to the Board of Management, staff and stakeholders of Inverness College UHI on our strategic approaches to Marketing and Communications

Staff should make use of this strategy when creating their Operational Plans.

Context

Marketing and Communications is key to supporting the themes of opportunity and growth identified in the strategic plan for 2017-2020. The new college branding, developed in 2016-17, illustrates opportunity through the “Start tomorrow today” strapline and growth through the helix imagery. The current college branded materials have supported an integrated marketing and communications approach which has been well received by customers and stakeholders, receiving recognition in the Customer Service Excellence report.

The Marketing and Communications Strategy links to all strategic aims, as effective internal and external communication is essential to support the delivery of the strategic objectives and ensure growth targets are met.

There is potential to significantly enhance internal communications, promotional activity and public relations using emerging technologies, to meet student recruitment targets and support organisational development through encouraging applications for staff vacancies.

The strategy relies upon extensive cross college support and adherence by all staff to the college’s commitments, to achieve our aspirations for growth.

Strategic Objective 1:

To position Inverness College UHI as the provider of choice for high quality tertiary education and training

We will achieve this by:

- Articulating and managing Inverness College UHI's brand, key messages and visual identity;
- Continuing to develop and implement brand guidelines consistently across the organisation;
- Ensuring sub-branded areas are aligned with the umbrella Inverness College UHI brand;
- Reinforcing the position of Inverness College UHI, as an integrated University delivering high quality further and higher education;
- Ensuring that marketing and communication activities provide clarity on the relationship with UHI and partner colleges.

Strategic objective 2:

To increase student applications and enrolments to meet recruitment targets

We will achieve this by:

- Developing and implementing targeted marketing plans by curriculum area, through the most effective media channels and events
- Exploiting digital and social media channels to stimulate interest from potential new students and improve engagement with existing students
- Developing a data driven approach, to support improvements in applications and conversion rates
- Developing targeted marketing plans to deliver the International Strategy, including the promotion of Erasmus
- Encouraging applications from under-represented groups through targeted campaigns, events, partnership activities with external agencies and work with third sector organisations

Strategic objective 3:

To increase commercial and non-mainstream income

We will achieve this by:

- Engaging in sustained and comprehensive relationship campaigns with existing and potential customers and stakeholders
- Promoting summer school activity
- Maximising the use of the CRM to support relationship management and external communication

- Supporting the development and implementation of the Business Development strategy and Sector Development plans; providing coherent marketing and promotion of the Business Solutions service.
- Piloting and evaluating new approaches to increase business to business sales, supporting the development of a wider commercial offer, in response to local, regional and international demand
- Developing social and digital media capability to increase engagement with businesses in target sectors

Strategic objective 4:

To support the growth of research participation and income

We will achieve this by:

- Implementing targeted marketing plans to highlight the College's research specialisms
- Exploiting opportunities to promote the college's research specialisms through connected events (Salmon festival, World Canals, etc.)
- Supporting the commercialisation of the College's research specialisms through promotional activities and events
- Developing and maintaining web and social media content, maximising reach and engagement
- Working with UHI to encourage the promotion of the College's research and the UHI research community

Strategic objective 5:

To increase the College's profile and reputation in local, regional, national and international markets

We will achieve this by:

- Engaging in proactive media relations management; promoting the colleges resources, successes, quality of services and impact
- Supporting applications for applications for industry, national and international awards and publicising achievements and accreditations of standards, including IIP and customer service excellence
- Raising awareness of activities which demonstrate Corporate Social Responsibility
- Providing and hosting a wide range of events to showcase the college's facilities, resources and the full range of its provision
- Managing the College's public presence and communicate with the local community through media relations and public events

Key Performance Indicators

KPI
Meet student application targets in line with curriculum plan
Meet annual commercial course income targets
Increased income from international activity annually
Increased social media engagement month on month
Increase quantity and value of media coverage annually
Increased number and value of events annually
Increase research income annually

Cross Reference to Strategic Plan

This strategy links to the following strategic aims:

Strategic Aim
<p>Student Life</p> <p>We will build a vibrant campus community that all of our students are proud of, and within which they are engaged and supported to reach their potential. We will strengthen our existing relationships between our students, staff, employers and the wider community to further increase student participation and the student voice</p>
<p>Curriculum</p> <p>We will offer a progressive curriculum that is valued by our students, employers and the communities we serve, and that is delivered in a variety of ways to make it accessible to all. We will ensure the curriculum remains relevant, responsive to demand and aligned with employment opportunities, providing a range of progression pathways that contribute to the economic growth and social cohesion of our region.</p>
<p>Professional Practice</p> <p>Recognising that people have the greatest influence on our success, we will operate in a positive culture where we stretch ourselves to deliver the highest standards of service, support and delivery that exceeds expectations.</p>
<p>Organisational Development</p> <p>As a highly regarded organisation, we will attract and retain talented employees committed to achieving shared goals. We will create a supportive, collaborative and dynamic environment where students and staff are inspired to learn and develop. Our high performance culture will be underpinned by a dispersed leadership model, within which teams are empowered to deliver and share accountability for outcomes.</p>
<p>Research and Innovation</p> <p>We will build upon our successes in research by strengthening our impact and excellence and growing our regional and international reputation. We will continue</p>

to support and grow an innovative and inspired postgraduate researcher community. Our research will directly inform innovation and entrepreneurship activity in key sectors regionally and internationally

Sustainability

We will ensure our continuing financial stability by developing income streams and promoting efficient, effective service delivery. We will work collaboratively to enhance the prosperity of the regional economy. We are committed to acting responsibly by protecting our environment, maintaining and developing our infrastructure and managing our risks.

DRAFT

Board of Management

Subject/Title:	Estates and Infrastructure Strategy		
Meeting and date:	Finance and General Purposes Committee – 8 June 2017		
Author:	Lindsay Ferries, Director of Organisational Development		
Link to Strategic Plan:	Opportunity and Growth in Sustainability		
Cost implications:	Yes		
Risk assessment:	No		
Status – Confidential/Non confidential	Non-Confidential		
Freedom of Information Can this paper be included in “open” business	Yes		
If a paper should not be included within “open” business, please highlight below the reason.			
Its disclosure would substantially prejudice a programme of research (S27)		Its disclosure would substantially prejudice the effective conduct of public affairs (S30)	
Its disclosure would substantially prejudice the commercial interests of any person or organisation (S33)		Its disclosure would constitute a breach of confidence actionable in court (S36)	
Its disclosure would constitute a breach of the Data Protection Act (S38)		Other (please give further details)	
For how long must the paper be withheld? (express either as the time which needs to pass or a condition which needs to be met.)			

Recommendation(s)

The Finance and General Purposes Committee is asked to consider the Estates and Infrastructure Strategy and recommend it to the Board of Management for approval.

Purpose of report

To present the Estates and Infrastructure Strategy to the Board of Management for approval.

Background

An extensive strategic planning process involving the Board, staff, students and external stakeholders resulted in the publication in January 2017 of the college's Strategic Plan 2017-20. The plan focusses on 'opportunity and growth' over the next three years of the college's development under six strategic themes:

- student life
- curriculum
- professional practice
- organisational development
- research and innovation
- sustainability

A number of supporting strategies have been revised or created to ensure the strategic aims are reflected in specific college strategies and then embedded in operational planning and activity. The Board of Management asked for the supporting strategies to be considered through the relevant Board committees.

Estates Strategy

The College Estate comprises the Main College Building and the Early Learning and Childcare Centre on the Inverness Campus site as well as the buildings at the Scottish School of Forestry.

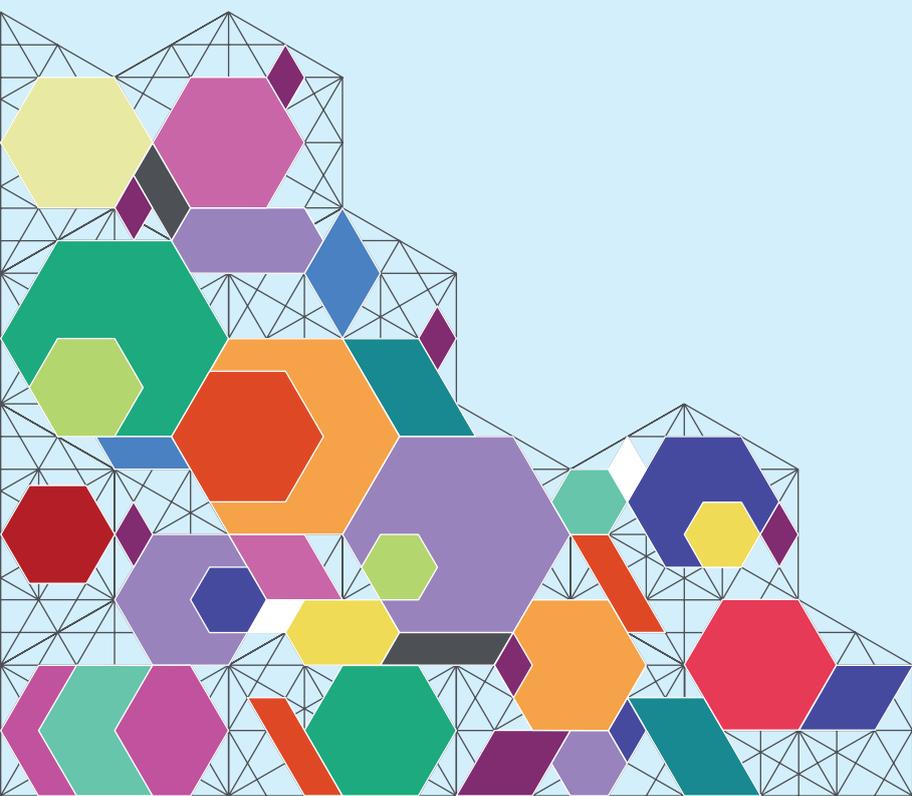
The information to populate the estates strategy has been challenging. Information in relation to the number of teaching spaces along with utilisation of space will be an area for reporting in future.

The strategy also requires an outline of the planned maintenance for those aspects of the NPD contract that the college has responsibility for including grounds maintenance, painting, window cleaning and general upkeep of the estate. It is also important to be clear that E block, forestry outbuildings and the Early Learning and Childcare Centre are not covered by the current NPD contract or Facilities Management Arrangements through GTFM. Aviemore facility is leased by the college and therefore the maintenance is covered through the contract lease arrangements with MacDonald Resort.

The outline PI's are suggested and some of these will need some development.

START
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Estates Strategy



University of the
Highlands and Islands
Inverness College

Estates Strategy 2017-2020

How to use this strategy

It is intended that this strategy will provide clear direction to the Board of Management, staff and stakeholders of Inverness College UHI on our strategic approaches to Business Development.

Staff should make use of this strategy when creating their Operational Plans.

Context

The College's Strategic plan articulates two main themes in relation to its strategic aims: opportunity and growth. Business Development, for the purpose of this strategy document, can be described as the activity required to identify and exploit opportunities to support growth – both in curriculum and related commercial activities.

A strategic approach has been taken to harness the opportunities arising from the new campuses, significant infrastructural investment in Inverness through the City Region Deal and growth in a range of sectors such as tourism and health related industries. Sector development plans are being developed and implemented to prioritise resources to support local and regional economic development.

Whilst there is an organisational responsibility for business development in its widest sense, the College has recently refocussed its approach under the "Business Solutions" brand. Business Solutions provides a 'one stop shop' through which industry can access the full range of college services and influence curriculum development.

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Inverness College UHI Estates Strategy

1. Introduction and Summary

The purpose of this document is to provide Inverness College UHI with a strategic plan for managing its estate over a 3-year period from 2017 - 2020.

This plan focuses on this 3-year period and this strategy will be updated in 2019/20.

An earlier review may be required if the volume of learner activity, funding or planned curriculum mix was to change materially during the period of the plan.

The Estates Strategy has been developed to support the strategic aims and objectives of the College. The provision of high quality buildings, facilities and equipment to support learning and teaching is fundamental to all aspects of the College's Strategic Plan, Values, Vision and Commitments. The Estates Strategy takes into account the current and anticipated environmental context facing the College. This includes:

- The continued pressures on Government funding and activity levels,
- The College's Regional Outcome Agreement (2017-20); and
- Scottish Government Priorities including Developing the Young Workforce.

The Estates Strategy has been developed in a way which is consistent with the College's Strategic plan – and in particular Financial Strategy and Curriculum Plans (in the overall regional context).

The aim of the Estate Strategy is to:

- Ensure the College provides fit for purpose learning and working accommodation;
- Ensure the College has high quality buildings, facilities and equipment which support the curriculum offer;
- Utilise building capacity and space efficiently;
- Maximise the value of the estate for existing uses and consideration of alternative uses and partnership working, co-location or shared services;
- Ensure the College is managing its environmental impact and has appropriate carbon reduction plans in place; and
- Protect the public sector investment in the estate operated by the College for the long term.

The table below provides a high level summary of the College current Estate:

Campus	Gross Internal Area	Number of Learning Spaces	Learning : GIA as %	Utilisation (?)	Condition
Inverness	19565m ²			%	Excellent
ELCC	m ²			100%	Excellent
Balloch	1353m ²			%	Excellent/Poor
Longman				n/a	Poor
Aviemore*				%	Good/Poor
Total				72%	

* Occupied under lease from the Macdonald Aviemore Resort

The assessment of the condition of each site is based on the College's extensive and experience of operating the properties. The narrative provided for each property provides further information on specific issues relating to each site. The condition ratings are based on the Excellent/Good/Fair/Poor definitions recommended for use by the Scottish Funding Council. The main priority of the College is to maintain its existing Estate to a high standards and ensure it remains fit for purpose. This means the Estate needs to continue to adapt to the needs of the Curriculum offer (both in terms of volume and subject areas). Furthermore the disposal of legacy sites/buildings is a focus of attention.

The conclusions of the review of the College Estate outlined in this document are:

- The College campus buildings are appropriate in supporting the delivery of the existing buildings;
- Following the sale of the Longman legacy site, the College estate will be well used assuming the level of funded activity remains constant;
- Plans for growth in HE activity are in development.
- There are no further opportunities for disposal of properties;
- The buildings are in appropriate locations to enable the College to deliver on the commitments in the Regional Outcome Agreement and are appropriately supported by the Learning Network venues;
- There is a requirement to develop longer term maintenance plans to reduce costs and reactive emergency repair work at all sites. This is to be complete by Summer 2017;
- The staffing structure has been reviewed to meet the needs of the college and to effectively manage the estate;
- The remaining older buildings at the Balloch site require significant improvement through refurbishment to update the facilities

2. College Background

The Estates Strategy primarily seeks to ensure the estate meets the requirements derived from the needs of its communities, the learners it expects to recruit over the period of the plan and its stakeholders. The College's student activity target, measured in credits, is outlined in the Regional Outcome Agreement (ROA). The ROA likewise outlines the priority curriculum areas in line with the local economic strategies for the Inverness and wider Highlands region and national policy priorities of the Scottish Government. The overall objective of the Estates Strategy is to ensure that the College has a fit for purpose estate that delivers value for money, is environmental sustainable, enables the College to deliver its contribution to the ROA and meets the needs of the communities which it serves. The College employs around 350 FTE members of staff and recruits circa 6,500 full time and part time learners each year.

3. Current Estate

This section of Estates Strategy describes each of the College's campus buildings, provides summary statistics, and outlines current issues and planned developments. It also provides an overall assessment of the future of sites in respect of the delivery of the Board of Management's strategic objectives. The College seeks to manage its estate in a consistent way and aims to provide a high quality service which responds to the needs of all users of the buildings in an appropriate way. The accessible culture fostered by the College means that the buildings are used by large numbers of individuals on a daily basis; users include students, staff, members of the public and partner organisations.

The College operates an Estates Helpdesk system to enable the team to respond quickly to emergency issues or requests for repairs and maintenance on a managed basis.

The analysis provided in respect of each campus is based on available information and the position as at May 2017. The College will seek to improve the quality of the estates data it holds over time - this will be a priority for future Estates Operational Plans.

The Estates Strategy is based on an expectation that further education student activity levels will be subject to moderate growth as funding becomes available to support it and it is assumed that the curriculum offer will remain similar to that outlined in the Regional plan in terms of subject areas taught.

Moderate growth is also planned for higher education numbers. It is intended that some of this growth will be through the development of a distance learning/on-line portfolio. Additional curriculum will also however be developed to complement the development of the UHI School of Health and Well-being and would be delivered through use of collaborative space within the Centre for Health Science Phase II and An Lochran.

The capacity provided within the College's Estate is currently appropriate. However, if the College is successful in its plans for moderate growth it will be essential that the estate is managed efficiently and that efficient timetabling processes ensures that the space available is maximised.

The College remains committed to serving the communities which surround its main campus buildings, these buildings are in appropriate geographical locations to enable the College to deliver to the populations in the City and surrounding area. At the time of writing, the College is involved in discussions with the Local Authority -

and other bodies - regarding a possible new multi-million pound Sports Hub on the west of the city and the potential development of complementary facilities on the Inverness Campus site to support student activity growth in this area.

Given the funding constraints the College is working within, the College will seek to work collaboratively with partners such as UHI, HIE, The Highland Council and the NHS; to exploit opportunities to support curriculum diversification and growth through the development of shared facilities, particularly in regard to Inverness Campus.

In respect of furniture, fittings and equipment, the College will maintain a revenue budget for each building to allow for replacement of these. Where there are health and safety matters which require to be addressed, these of course will be prioritised.

3.1 – Inverness Campus

The Inverness Campus was opened in August 2015. It was constructed via the Non-Profit Distributing (NPD) scheme at a cost of £48m. The NPD programme was developed as an alternative to, and has superseded, the traditional Private Finance Initiative (PFI) model in Scotland and is used to fund projects in three main sectors – FE, Health and Transport.

The Inverness Campus is the College's main campus building and is where the majority of courses are delivered. As well as being the main college location for learning activity, the main administrative functions and student support teams are based there. It is also the official College address.

Location

The property is located just off the A9 on the south side of the city at IV2 5NA. The site has excellent public transport links to both the city centre and to suburbs to the city. Public transport links to outlying areas are more challenging causing lengthy journeys for some students travelling from some very remote areas.

Description

The campus is a large 3 storey building of concrete frame and block/brickwork construction. There are 33 classrooms, 21 workshops, 17 VC suits and 12 ICT suits.

Ground Floor

Main reception, Student Association, Student Services, Construction and Engineering workshops, CAD suits and classrooms; training restaurant, café, meeting rooms, support staff offices and lifts to all floors.

First Floor

Classrooms, VC suites, Labs, Hair and Beauty training salons, Commercial Salon, simulated Nursery and observation, ICT suites and academic/support staff office areas.

Second Floor

Lecture Theatre, Performing Arts Studio, Enterprise Centre, Research Hub, Library and Learning Resource Centre, Sports Hall, Fitness Suite, Changing Rooms, classrooms, Management staff offices, and Board Room.

Floor Area

In accordance with the RICS Code of measuring Practice 6th edition the total floor area on a gross internal basis is 19 565sq m (210,598sq ft).

Site Area

The site area is estimated at 5.78 hectares (14.3 acres) and includes 3 College car park areas with 525 designated parking bays in total, including 22 x disabled parking bays.

Rateable Value

The valuation roll for the NAV / RV was set at £1,177,000 from 17 August 2015. The rateable value in respect of 2017/18 is £1,100,000.

Valuation

The property was valued on 1 August 2015 on a depreciated replacement cost basis at £48,000,000 (including VAT) with the land valued at £1,881,000.

Legislative Compliance

The building is a new build and therefore meets all current legislative requirements. The building is fully accessible and complies with current equalities legislation.

Age and Condition

The building was completed for Inverness College in 2015. The building is in excellent condition overall, and was designed/constructed to achieve a BREEAM excellent rating.

Use and Fitness for Purpose

The property is used for the delivery of a large proportion (circa xx%) of the College's campus based curriculum offer. It contains a large number of generic classroom space along with specialist facilities for engineering, construction and creative industries teaching. It is also the administrative headquarters of the College. The campus building is strategically critical to the College and it would not be possible for the College to meet its student activity commitments in the event of the building being in-operable.

In terms of functional suitability and fitness for purpose the College would grade the building as excellent. While the building does fully support the current activities taking place within it there are a number of challenges associated with it which could limit the teaching activity which can be timetabled in the building as the Colleges continues to grow. Should growth continue it is likely that supplementary space would need to feature additional rooms or lecture theatres that can accommodate large theory classes, practical workshop and laboratory space, as well as storage space.

Space Utilisation

The College operates a central timetabling system to control room booking and the utilisation of space in the building. Overall, the building is well used and busy.

Residences

There is student accommodation adjacent to the site. A residence with 150 bed spaces was opened in August 2016 and a second facility with a further 150 beds will open in September 2017. The construction is managed and financed via University of Highlands and Islands (UHI) and operated by Cityheart Limited.

Development Plan

In the coming 3 years (from 2017) the following are the key priorities for the site:

Project	Timing	Estimated Cost
Joinery Extract Canopy Cladding	March – July 2017	£30,000

External Goods Yards Shed	March – July 2018	£300,000
Review of utilisation in line with demand.	August 2018	tbc
Repurposing of Games Hall and Fitness Suite	August 2020 dependent on progress of campus sports development	tbc

3.2 – The Early Learning and Childcare Centre (ELCC) - Inverness Campus

As with the main campus, the Early Learning and Childcare Centre opened in summer 2015. Throughout the year the Centre will have childcare students on placement. It is necessary for the childcare workforce to develop and for students to fulfil their course work on placement. The ELCC forms an essential part of Highland Council's early years' provision and complements the early years' education provision at the College which will grow in response to the Government's pledge to increase the provision of early years child care to those in receipt of benefits.

Location

The property is located on the Inverness Campus in a separate stand-alone building.

Description

The Early Learning and Childcare Centre is a single storey building of steel frame and block/brickwork construction.

Ground Floor

Main reception, four early learning and childcare rooms specific to each age group, partitioned outdoor space, kitchen area, staff room, parent room and toilets partitioned for staff and children.

Floor Area

In accordance with the RICS Code of measuring Practice 6th edition the total floor area on a gross internal basis is x,xxx sq m (xx,xxx sq ft).

Site Area

The site area is estimated at 0.06 hectares (0.17 acres) and includes a drop off/pick up bays. Next to the ELCC site is Car Park 2 with a drop off & pick area as well as 2 disabled parking bays

Rateable Value

The current valuation roll has the NAV/RV set at £xxx,000 from 1 April 2017.

Valuation

The property was valued on 31 July 2015 on a depreciated replacement cost basis at £x,xxx,xxx (excluding VAT) with the land valued at £xxx,xxx.

Legislative Compliance

The building is a new build and therefore meets all current legislative requirements. The building is fully accessible and complies with current equalities legislation.

Age and Condition

The building was constructed in 2015 and is in excellent condition.

Use and Fitness for Purpose

The Early Learning and Childcare Centre (ELCC), which has a maximum number of 50 places which cannot be exceeded, is well used and operates Monday to Friday, term time only and on a reduced basis over the holiday periods. There are plenty of sleeping facilities away from the hubbub of the playrooms and with a Healthy Eating Policy, meals prepared from the College Kitchens using fresh ingredients are available daily.

Space Utilisation

The ELCC has a baby room (0-17 month olds), a Tweenie room (1.5 – 2 year olds), a Toddler room (2 – 3 years olds) and an Early Level room (3 – 5 year olds). All rooms have access to separate toiletry facilities, and a secure external play areas mostly laid with lawn. There is also Parent room, Staff room, a kitchen and a staff office.

Development Plan

In the coming 3 years (from 2017) the following are the key priorities for the site:

Project	Timing	Estimated Cost
New Storage facilities	March – July 2017	£40,000
Bicycle speed calming measures	March – July 2017	£2,000
Signage and Designated Parent Drop Off	July 2018	£2,000

3.3 Balloch

The Scottish School of Forestry (SSF), Inverness College UHI, is based at Balloch.,

The accommodation is primarily engaged in the delivery of forestry and arboriculture training and education and is the principal institution for forestry training and education in Scotland. The School sits in its own 10-hectare woodland in Balloch, making it the only forestry-training provider delivering both HE and FE education within its own practical training environment.

The School's attractive new larch-clad building – completed in May 2015 - provides an inspiring modern environment for students, with flexible classrooms and digital training facilities including a unique forestry simulator. Students also have access to first class laboratory facilities at the main building at Inverness Campus.

In addition, students benefit from the development of the School's very own arboretum, which it plans to establish at the grounds of the former building

Location

The campus is 6 miles east of the Inverness Campus, at IV2 5EA.

Description

The main building at Balloch campus is a single storey building of steel frame with a number of separate outbuildings – E Block, Tractor Shed, Fuel Tank & Equipment Store, Tools Shed, W/Shop & Chemical Store Building, former Sauna Shed and a Tools & Equipment Shed.

Ground Floor

Main reception, classrooms, flexible learning area, staff room, student area and cafe.

Floor Area

In accordance with the RICS Code of measuring Practice 6th edition the total floor area on a gross internal basis is 1,353sq m (13,886sq ft).

Site Area

The site area is estimated at 11.9hectares (29.4 acres) and includes a car park with capacity for 50 vehicles 3 disabled parking bays with an additional 5 minibus parking bays

Rateable Value

The current valuation roll has the NAV / RV set at £290,000 from 1 April 2010.

Valuation

The property was valued on 31 March 2014 on a depreciated replacement cost basis at £3,500,000 (excluding VAT) with the land valued at £348,000.

Legislative Compliance

The main building has been extensively refurbished and meets all current legislative requirements. The site is not fully accessible and some remedial compliance works are required.

Age and Condition

The main building was refurbished in 2015, is in excellent condition and has been well maintained. There are material issues with the some of the outbuildings which the College will continue to address

Use and Fitness for Purpose

The property is used for the delivery of significant proportion of the College's curriculum (circa 15%). It contains generic classroom space along with specialist facilities. In terms of functional suitability and fitness for purpose the College would grade the building as excellent. The building does fully support the current activities taking place

Space Utilisation

The College operates a central timetabling system to control room booking and the utilisation of space in the building. Overall, the building is well used and busy.

Development Plan

In the coming 3 years (from 2017) the following are the key priorities for the site:

Project	Timing	Estimated Cost
Tractor Shed refurbishment	July 2018	£150,000
New Wood Chip Storage Facility	March – July 2017	£80,000
Access works	2017/18	£20,000
Security Systems, E block and tractor shed	2017/18	£5,000

3.4 Longman Site

Although owned by the College, this site forms no part of any Estates Strategy/Plan. At February 2017, it is planned to dispose of the former main site. Upon disposal, the College will release some revenue cost savings and the net receipt (after the College retains some associated cost for the sale) will be passed back to the Scottish Funding Council.

3.5 Aviemore

In partnership with Macdonald Aviemore Resort, Inverness College runs access level courses in IT in addition to a SVQ level 1 qualification in food and beverage service in Falcon Centre facility in Aviemore. The site is owned by the resort and leased to the College for a peppercorn rent.

Location

The property is located within the Macdonald Aviemore Resort, at PH22 1PN

Description

The facility is Fair but also inadequate in some regards. The single room layout restricts use, in particular in relation access to blended learning provision through use of video-conferencing. A new improved facility is required. The College is working with the Cairngorm Business Partners to support the implementation of the Cairngorms National Park Economic Development Strategy 2017/20 and exploring alternative delivery sites within the National Park footprint.

Ground Floor

Floor Area

In accordance with the RICS Code of measuring Practice 6th edition the total floor area on a gross internal basis is 1,922sq m (20,691 sq ft).

Site Area

The site area is estimated at 0.44 hectares (1.19 acres) and includes a car park.

Legislative Compliance

The building meets all current legislative requirements.

Age and Condition

The building has been maintained in reasonable condition but will require significant on-going maintenance to ensure it remains fit for purpose.

Use and Fitness for Purpose

The property is used for a small proportion of the College's curriculum. It is not fit for purpose, nor can it service the needs and capacity for FE in the local Speyside area. The College should seek better accommodation going forward.

Space Utilisation

Overall, the building is appropriately used for the programmes delivered there.

Development Plan

With the ownership residing with a third party, it would not be possible to further develop the site should capital funds be available in the future.

4. Insurance

The College will seek to ensure it maintains appropriate insurance in respect of its Estate as long as it is able to (at present there is a derogation from the requirement on public bodies to self-insure). The College does not believe it has the financial resources to cope with a major incident such as fire, flood or storm damage. The College has all statutory insurances in place including Vehicle, Public Liability, Employer Liability and Engineering Inspection cover. Advice on insurance requirements is currently provided by Marsh (its insurance broker). It will ensure value for money is achieved by tendering for this service on a regular basis through the frameworks negotiated by APUC.

5. Catering

Catering facilities are available and are appropriate to the size and usage of each building. The provision of catering is provided in-house. The catering function not only provides a high quality service to staff and students but is also the primary delivery site for learning and teaching in hospitality and professional cookery within the College. The College aims to produce a small surplus through this service provision whilst providing a high quality, healthy and affordable catering to staff and learners. Primarily however, the catering facilities should be considered live training environments.

7. Cleaning Services

The College has sub-contracted cleaning across all its sites in a single contract procured by competitive tender in line with procurement legislation. This key contract is managed and monitored within the Estates management structure. The College does not consider that it has management capacity or expertise to deliver these services in-house. The contract has been awarded from 1 November 2015 to 31 October 2018 with an optional years extension to 31 October 2019.

8. Security

All new buildings are fitted with Intruder Alarms and CCTV (including car parks), as well as Fire Detection systems. In addition, the Inverness Campus Owners Association of which Inverness College UHI are a member, contracts with a security firm to ensure security of the city campus sites. The college will continue to review and enhance security and safety systems as an ongoing project.

9. Emergency Cover

The Estates team have two trained members of staff on-call at all times. There is an call out agreement and Evening/Saturday Duty Manager rota in place at the main campus .

10. Procurement

Overall Estates spend is one of the largest budgets in the College. All spend will be procured within the Public Sector Procurement guidance and contracts will be rationalised across campuses wherever possible. This will enable the College to build relationships with key contractors and more effectively manage contracts across the Estate. It will also ensure that best value for money is achieved through improved bargaining power. The regional approach to procurement will also assist in this regard. Specifically, the College will use Government negotiated contracts and frameworks wherever possible and will ensure that energy and water are procured through these frameworks. The Procurement Strategy provides further detail on how procurement is managed across the College.

The College will seek to make best use of its existing staff for the completion of maintenance tasks to minimise payments to contractors. Through the NPD Contract all the Group 1 classified assets (Fixed Mechanical & Electrical (M&E), as well Building Fabric) in two of the Colleges new buildings are maintained by Galliford Try Facilities Management (GTFM).

As the College has responsibility for Group 2 & 3 Classified assets (Catering, W/Shop Machines, Landscaping, Laundry, Science Lab, Renewable Energy Curriculum, Theatre and Mobile Transportation equipment) which form part of the Colleges Total FM remit for all buildings within and out with the NPD Contract (for which Fixed M&E and Building Fabric maintenance is the Colleges responsibility), the College will seek to put in place college wide contracts which cover all campus buildings where possible to benefit from the scale of such procurement. This approach also enables the College to progress contract management more effectively and reduced volumes of orders/invoicing.

11. Sustainability

The College will manage the environmental sustainability of the Estate in its Climate Change Action Plan (CCAP). The CCAP provides baseline data in respect of the performance of all of its Estates and its current Carbon Reduction targets, plans and projects. The College estate is the largest contributor to its carbon footprint. The current CCAP is an appendix to this document and is not repeated. The CCAP will be updated annually.

12. Risk Management

The College risk register includes Estates and Health & Safety risks. The College seeks to maintain insurance for large scale incidents and disasters. There are, however, several risks associated with the management of the Estate; the medium term plans are outlined in this strategy. The Risk Register is reviewed on a regular basis will take account of the risks relating to estates and insurance. In respect of the risks associated with Estates projects, CPD has been put in place to ensure a number of staff have been through certified project management training.

13. Health & Safety

The Health & Safety Manager sits outside the Estates structure, this ensures that there is an organisational divide between estates management and maintenance priorities and health and safety priorities. However, as a high proportion of health & safety risks are associated with the Estate, it is critical that the two functions work closely together and that critical maintenance schedules are maintained which ensure compliance with all extant health and safety requirements. The Estates and Campus Services Manager is a member of the Health & Safety Committee of the College. The Annual Health & Safety Report details how H&S is managed

14. Staffing Structure

The Estates staffing structure will be reviewed on a regular basis. The team roles and responsibilities were updated and established in light of the long term facilities management contract in place. Working practices and duties for all posts within the team will be constantly reviewed as the College seeks to reduce operating costs and improve efficiency.

15. Estates Strategy Priorities

The College considers its Estate to be fit for purpose in the main. The sections outlining the development plans for each campus provide the main short term development priorities the College has at present. The current curriculum offer and future volume and provision have also been taken into account in this Strategy. It is not envisaged that other extensive changes to the College Estate will be required in the first years of this strategy.

The table below summarises the 3-year plans for each building:

Campus	Current Condition	Future Plan	Priorities
--------	-------------------	-------------	------------

Inverness Campus	Excellent	To maintain and develop the Campus to the highest standard and improve sustainability	Improve Storage Maximise space utilisation Robust maintenance and replacement programme
Early Learning and Childcare Centre	Excellent	To maintain and develop the Campus to the highest standard and improve sustainability	Improve storage Robust maintenance and replacement programme
Balloch	Excellent / Poor	To maintain and develop the Campus to the highest standard and improve sustainability	Improve older outbuildings to ensure compliance with security/access and facilities..storage Robust maintenance and replacement programme
Longman	Poor	To dispose of the site as soon as practically possible	Pursue sale to interested parties by Summer 2017
Aviemore	Fair	To seek an affordable alternative site as soon as practically possible	None.

The College is of the view that it requires all of its current buildings which are used for the delivery of the curriculum and expects to require these for the period of this plan.

Should there be significant changes in the mission of the College, the strategic direction of the ROA or needs of the labour market or a change in the funded volume of provision the Estates Strategy will require to be reviewed.

The utilisation data indicates that the College will not have excess Estates Capacity from session 2016/17 based on anticipated learner activity.

The Colleges Estates function will oversee the management of projects. There will be occasions where more specialist project assistance is required. This will be procured using the College's standard procurement processes.

16. Funding of Estates Priorities

The Estates revenue budget is significant, however, much of it relates to relatively fixed cost contracts associated with waste, cleaning, security, utilities, planned/ essential maintenance and rates.

The discretionary repairs and maintenance budgets are more limited. The College Sector is under financial pressure – particularly with regard to pay and pension costs - and this situation is not anticipated to improve.

The actions the College has planned to reduce costs where possible include:

- a. Ongoing re-tendering of contracts;
- b. Ending of unnecessary contracts and services;
- c. Increased use of skilled in-house staff to complete maintenance tasks;
- d. The development of 5-year maintenance and replacement plans;
- e. Increased pro-active maintenance; and
- f. Spend to Save projects – where Capital spend reduces Revenue spend
- g. Continuous Improvement – to ensure greater efficiency and effectiveness

It is envisaged that the above actions will over time enable costs to be reduce which will, in turn, enable a greater emphasis to be placed on the long term maintenance of the College Estate. This will enable on-going minor changes to improve the Estate to better meet the needs of the curriculum offer. It is inevitable that minor changes in the curriculum offer at each building will take place on an annual basis.

In respect of capital investment, the main priorities are outlined in this report and the financing of these will need to be built into the Annual Budget and Financial Strategy.

It is anticipated that much of the College's required capital investment will come from allocations via UHI for HE and FE, and in addition from the Scottish Colleges Foundation.

17. Key Performance Indicators

The College will seek to monitor the performance of its Estate annually using a series of key performance indicators from session 2015/16 onwards. The indicators that will be used are listed below but do not include the energy performance indicators which are reported in the Climate Change Action Plan.

The College will prepare an annual report which will measure and report on the following KPIs for each building:

KPI	Units
Area	sqm
Condition / Fitness for Purpose	Excellent / Good / Fair / Poor
Space Utilisation	Room occupancy rate %
Furniture and Ergonomics	Annual Lifecycle costing of furniture and fittings

Helpdesk assistance requests	number
Helpdesk average response time	days
Building Running Costs	
Energy/ total utilities consumption/building area	£ / £ per sqm
Cleaning	£ / £ per sqm
Security	£ / £ per sqm
Maintenance & Repairs	£ / £ per sqm
Other	£ / £ per sqm
Total Cost	£ / £ per sqm
Capital Investment	£

Board of Management

Subject/Title:	Finance Monitoring Report – April 2017		
Meeting and date:	Finance and General Purposes Committee 8 June 2017		
Author:	Fiona Mustarde, Financial Services Manager		
Link to Strategic Plan:			
Cost implications:	Yes If yes, please specify: Budget monitoring report for the period to April 17		
Risk assessment:	Yes If yes, please specify: Financial: Please see report Operational: Organisational:		
Status – Confidential/Non confidential	Non-Confidential		
Freedom of Information Can this paper be included in “open” business	Yes		
If a paper should not be included within “open” business, please highlight below the reason.			
Its disclosure would substantially prejudice a programme of research (S27)		Its disclosure would substantially prejudice the effective conduct of public affairs (S30)	
Its disclosure would substantially prejudice the commercial interests of any person or organisation (S33)		Its disclosure would constitute a breach of confidence actionable in court (S36)	
Its disclosure would constitute a breach of the Data Protection Act (S38)		Other (please give further details)	
For how long must the paper be withheld? (express either as the time which needs to pass or a condition which needs to be met.)			

Recommendation(s)

The Committee is asked to discuss the report.

Purpose of report / Summary

To report to the Committee the results of the finance monitoring for the 9 months to end April 2017.

Income and Expenditure Monitoring

- The results of the financial monitoring exercise for the 9 months to April 2017 are summarised in the table below.

Table 1: 2016/17 Income and Expenditure Monitoring – April 2017

YEAR TO DATE	Actual Apr 17 £000	Phased Budget Apr 17 £000	Variance £000
Income	19,429	20,677	(1,248)
Expenditure	20,852	20,878	26
Net Operational Surplus (Deficit)	(1,423)	(201)	(1,222)
YEAR END	Forecast £000	Budget £000	Variance £000
Income	26,471	27,594	(1,123)
Expenditure	27,313	27,594	281
Net Operational Surplus (Deficit)	(842)	0	(842)

- The year to date position, for the 9 months to April 2017, shows the net operational position is £1,222,000 below the budget level. Income, at £1,248,000 below the budget level and expenditure at £26,000 below budget level, contribute to the variation at the end of the period and further information is given below.
- The year-end position shows a forecast net operational deficit of £842,000 compared with the budget level of £0. The variance in deficit relates to the adjusted values to be applied in respect of deferred capital grant income as per note 13.
- Most budgets have been phased for 2016/17 in line with patterns found at this stage in previous years.
- The monitoring results are shown in the appendices. The list of pages is shown below:
 - Page 1 – Income & Expenditure Report – year to date (YTD) and year end.
 - Page 2 - Income & Expenditure Report – showing actual & forecast for the year.
 - Page 3 – Cash Flow Analysis - month, year to date (YTD) and year end.
 - Page 4 – Monthly & cumulative cash position, in graphical form.
 - Page 5 - Cash flow Forecast – showing actual & forecast for year.

- Page 6 – Debtors Report – showing business & student debt split, in graphical form.
- Page 7 – Creditors Report – showing creditor payment days in graphical form.
- Page 8 – summary Income & Expenditure and cash flow information at this time in the previous year.

Income

6. The grant income related to student activity on the FE side is budgeted at £7,695,730 for 2016/17. Our budget target is 28,698 credits. At present, the college is projecting to exceed the target figure.

In HE, the college target is to achieve 1,665 FTE's and at present the projected activity is 1,589 FTE's.

7. The budget for the year for SFC unitary charge funding is £4,635,000 and at April 2017, there is a positive variance of £48,000. The projected outturn at the year-end is to maintain this positive variance. The positive variance is due to additional funding to cover the insurance costs recharged by GTEIL as required in the contract.
8. The budget for the year for tuition fees is £3,143,448 and at April 2017, there is a negative variance of £15,000 against budget. The projected outturn at the year-end is £3,148,000.
9. SDS Training Contracts income mainly consists of skillseeker funding. Current income at April 2017 is £277,000 and on target when compared to the budget of £277,000. The funds are released on the basis of claims submitted to SDS and is on track to maintain the contracted value.
10. Other income for the 9 months to April 2017 is £1,793,000, £56,000 below the budget of £1,791,000. Catering and hospitality income accounts for £689,745 to April, a positive variance of £80,655 against budget. However this variance indicates that it may be necessary to further profile the budget for catering.
11. Deferred grant has been recalculated in line with the required accounting in respect of the new campus arrangements. The original budget was set prior to agreement on the correct accounting. This has resulted in negative variance. For the 9 months to April 2017, the actual deferred grant is £772,000 against a budget of £1,586,000, a negative variance of £814,000. The forecast outturn for the year is a negative variance of £1,355,000 against budget.

Expenditure

12. Actual expenditure on staffing costs for the 9 months to April 2017 is above the phased budget by £7,000. Other staff costs are under target by £56,000. Overall there is an underspend of £49,000 on total staffing costs. The 2016 pay awards have been paid and implemented, however there are some vacant posts, LGPS superannuation costs increased in April 2017 and the apprenticeship levy payments

commenced in April 2017. The forecast outturn does not include any amounts in respect of 2017 pay awards.

13. Other expenditure variations for the 9 months to April 2017 include an overspend of £283,000 in supplies and services costs. Of this, £49,786 relates to British Sign Language interpreting services in respect of two students, £52,571 relates to Phd student payments largely supported by project funding, £26,509 for equipment maintenance supported from research project funding, £26,307 for hospitality which includes events such as staff conference, graduation and prize-giving, costs for honorary lecturers.

Cash Flow

14. The opening cash balance for the year was £3,326,000.
15. Anticipated cash flow over the course of the current financial year was developed in June 2016 from budget estimates agreed at that time. A positive cash balance of £3,206,000 is anticipated at the end of the year, 31 July 2017. This compares with the year-end cash balance of £2,462,000 shown in the original projection prepared in June 2016.
16. The actual balance of £3,216,000 at the end of April 2017 shows an increase against the budget figure of £1,856,000, amounting to £1,360,000.
17. Details of the cash flow against budget for the month of April 2017, the year to date position and the year-end position, is shown in the appendices on page 3. Graphs showing the monthly cash movements and the cumulative position are shown on page 4 of the appendices and the actual/ forecast for the year is shown on page 5 of the appendices.

Creditor Payments

18. Analysis of creditor payment runs indicates an average invoice payment period of 29 days over the 12 month period to April 2017, compared with the figure of 34 days in the 12 months to April 2016. A chart setting out the monthly results over the past year of the creditor payment analysis is appended, on page 7.

Debtors Summary

19. Analysis of debtor's information shows that for April 2017, the total invoiced debt for the College decreased from £800,755 in March 2017 to £752,154, a decrease of £48,601. Charts showing the above are appended to this report, on page 6 of the appendices.

Comparable Monitoring Information from April 2016

20. There are 2 sets of figures included for comparison purposes. The first table is the income and expenditure figures from April 2016, which shows the forecast, budget and the variance. The second table shows the cash flow figures from April 2016, which again shows the forecast, budget and variance figures.

Risk Assessment/ Conclusion

21. The updated Risk Assessment, shown in appendix 1 of this report, shows the key risk areas within the finance monitoring report. The overall downside risk at this time is £110,000. This risk relates to the impact resulting from the teaching staff pay award for 2017. The outturn currently reported is an operating deficit of £842,000 against a budgeted breakeven position of £0.

Overall, the projected outturn reported of £842,000 is a realistic assessment of the College's current financial position. The forecasted activity figures for FE are positive at this time. The HE activity is forecast to be higher than 2015/16 although below the target set at the beginning of the year. This leads to a reduction in HE grant income which has been reflected in the forecast outturn. The impact of this on the overall Income & Expenditure Accounts surplus/deficit will be mitigated through careful management of temporary staff levels and other expenditure.

REVENUE BUDGET 2016/17 – UPDATED RISK ASSESSMENT – 31 JULY 2017
OUTTURN

MAIN RISKS

KEY RISK AREAS	DOWNSIDE £	PROVISIONS INCLUDED IN OUTTURN FIGURE £
SFC FE Recurrent Grant	0	0
UHI HE Recurrent Grant	0	0
Fees – FE (Income)	0	0
Fees – HE (Income)	0	0
Bad debts (Expenditure)	0	0
Staff Costs	110,000	0
Property Costs	0	0
	UPSIDE	
	£	
Staff Costs		0
Net overall downside	£110,000	

Inverness College

Income and Expenditure Report

£000

Year 2016/17

Month April

Report Para.	Actual AUGUST	Actual SEPT	Actual OCT	Actual NOV.	Actual DEC	Actual JAN	Actual FEB	Actual MARCH	Actual APRIL	Forecast MAY	Forecast JUNE	Forecast JULY	TOTAL	Budget	Variance	Movement since LM	
Income																	
Grants	8	940	1,091	1,087	1,140	1,118	906	1,005	857	1,082	1,101	1,101	1,008	12,436	12,669	(233)	(21)
Unitary Charge Funding		439	385	387	384	386	386	385	385	385	387	387	387	4,683	4,635	48	(1)
Student Support Funds		198	230	60	439	145	297	98	120	309	153	135	211	2,395	2,224	171	39
Fees	9	25	214	365	221	269	303	463	108	233	328	280	339	3,148	3,143	5	(12)
SDS Training Contracts	10	0	48	37	87	18	17	5	30	35	35	45	40	397	400	(3)	27
Other Income	11	160	181	163	210	163	185	306	228	142	183	192	335	2,448	2,404	44	19
Deferred Grant		64	64	64	64	63	63	64	63	63	264	64	64	964	2,119	(1,155)	200
		1,826	2,213	2,163	2,545	2,162	2,157	2,326	1,791	2,249	2,451	2,204	2,384	26,471	27,594	(1,123)	251
Expenditure																	
Staff	12	1,049	1,097	1,123	1,126	1,177	1,213	1,142	1,179	1,208	1,155	1,182	1,104	13,755	13,757	2	33
Other Staff	12	5	16	23	26	19	16	9	25	12	15	15	25	206	282	76	13
Property	13	74	125	78	57	49	75	82	112	67	97	85	89	990	1,175	185	15
Unitary Charge		365	330	339	360	338	335	337	341	340	345	345	345	4,120	4,114	(6)	5
Transport		3	6	6	9	7	7	6	13	11	10	6	13	97	83	(14)	(5)
Supplies and Services	13	196	434	397	349	301	290	358	406	332	248	300	300	3,911	3,780	(131)	58
Student Support Funds		0	205	274	244	373	270	295	234	186	234	80	10	2,405	2,224	(181)	64
Depreciation		152	152	152	152	153	153	153	152	153	153	152	153	1,829	2,179	350	1
		1,844	2,365	2,392	2,323	2,417	2,359	2,382	2,462	2,308	2,257	2,165	2,039	27,313	27,594	281	184
Net Operational Surplus (Deficit)																	
		(18)	(152)	(229)	222	(255)	(202)	(56)	(671)	(59)	194	39	345	(842)	0	(842)	435

Net effect of deferred grant and depn adjustments

Inverness College

Cash Flow Analysis

£000

Year 2016/17

Month April

Report Para.	YTD			Year End		
	Actual	Budget	Variance	Forecast	Budget	Variance
Income						
Recurrent Grant In Aid	4,843	4,706	137	7,663	7,446	217
Other Grants	425	285	140	425	328	97
Unitary Charge Grant	3,520	3,465	55	4,679	4,626	53
UHI HE Grants	3,536	3,721	(185)	4,628	5,174	(546)
Fees & Charges	2,902	2,720	182	3,263	3,071	192
Student Support Funds	1,670	1,589	81	2,392	2,224	168
LEC Contracts	362	300	62	462	400	62
ESF Funds	114	-	114	114	-	114
Other Income	4,524	1,680	2,844	4,894	2,120	2,774
	<u>21,896</u>	<u>18,466</u>	<u>3,430</u>	<u>28,520</u>	<u>25,389</u>	<u>3,131</u>
Expenditure						
Staff	10,149	10,350	201	13,639	13,880	241
Pension Costs	72	72	-	96	96	-
Creditors	3,496	3,703	207	4,673	4,858	185
Unitary Charge payments	3,709	3,726	17	4,957	4,974	17
Student Support Funds	1,860	1,900	40	2,170	2,260	90
Inter Account Transfers	-	-	-	-	-	-
Other	2,720	185	(2,535)	3,105	185	(2,920)
Bank Interest	-	-	-	-	-	-
	<u>22,006</u>	<u>19,936</u>	<u>(2,070)</u>	<u>28,640</u>	<u>26,253</u>	<u>(2,387)</u>
Net Income (Expenditure)	<u>(110)</u>	<u>(1,470)</u>	<u>1,360</u>	<u>(120)</u>	<u>(864)</u>	<u>744</u>
Opening Bank Balance	3,326	3,326	-	3,326	3,326	-
Closing Bank Balance	<u>3,216</u>	<u>1,856</u>	<u>1,360</u>	<u>3,206</u>	<u>2,462</u>	<u>744</u>

17

Inverness College

Income and Expenditure Report

£000

Year 2016/17

Month April

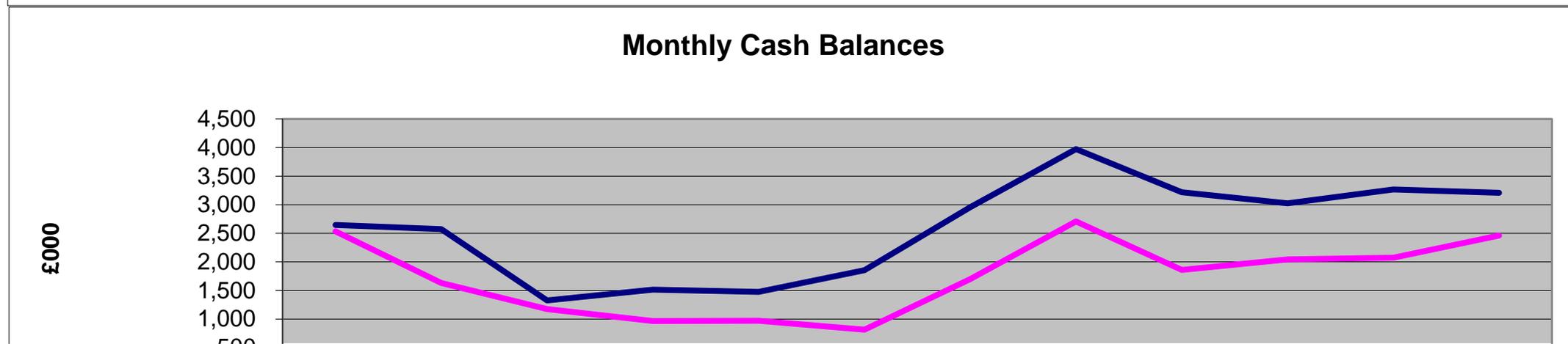
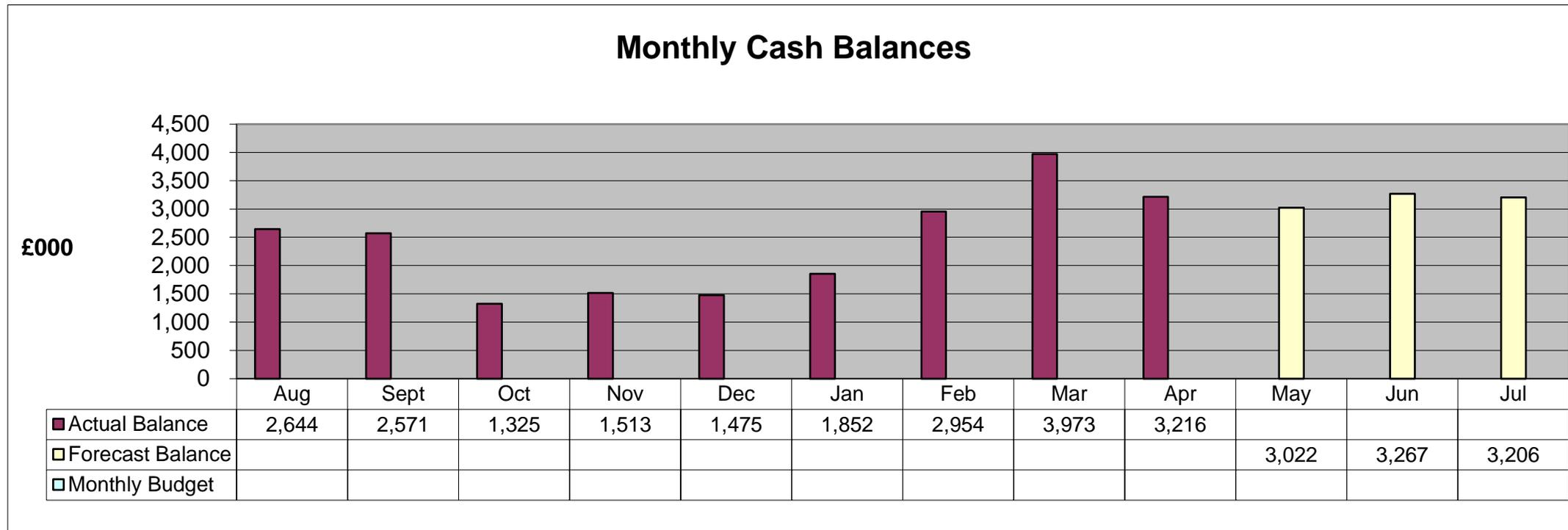
Report Para.	YTD			Year End			
	Actual	Budget	Variance	Forecast	Budget	Variance	
Income							
Grants	8	9,226	9,421	(195)	12,436	12,669	(233)
Unitary Charge		3,522	3,474	48	4,683	4,635	48
Student Support Funds		1,896	1,912	(16)	2,395	2,224	171
Fees	9	2,201	2,216	(15)	3,148	3,143	5
SDS Training Contracts	10	277	277	0	397	400	(3)
Other Income	11	1,735	1,791	(56)	2,448	2,404	44
Deferred Grant		772	1,586	(814)	964	2,119	(1,155)
		<u>19,629</u>	<u>20,677</u>	<u>(1,048)</u>	<u>26,471</u>	<u>27,594</u>	<u>(1,123)</u>
Expenditure							
Staff	12	10,314	10,307	(7)	13,755	13,757	2
Other Staff	12	151	207	56	206	282	76
Property	13	719	904	185	990	1,175	185
Unitary Charge		3,085	3,079	(6)	4,120	4,114	(6)
Transport		68	54	(14)	97	83	(14)
Supplies and Services	13	3,063	2,780	(283)	3,911	3,780	(131)
Student Support Funds		2,081	1,912	(169)	2,405	2,224	(181)
Depreciation		1,371	1,635	264	1,829	2,179	350
		<u>20,852</u>	<u>20,878</u>	<u>26</u>	<u>27,313</u>	<u>27,594</u>	<u>281</u>
Net Operational Surplus (Deficit)		<u>(1,223)</u>	<u>(201)</u>	<u>(1,022)</u>	<u>(842)</u>	<u>0</u>	<u>(842)</u>

Inverness College

Income and Expenditure Report

Year 2016/17

Month April



INVERNESS COLLEGE

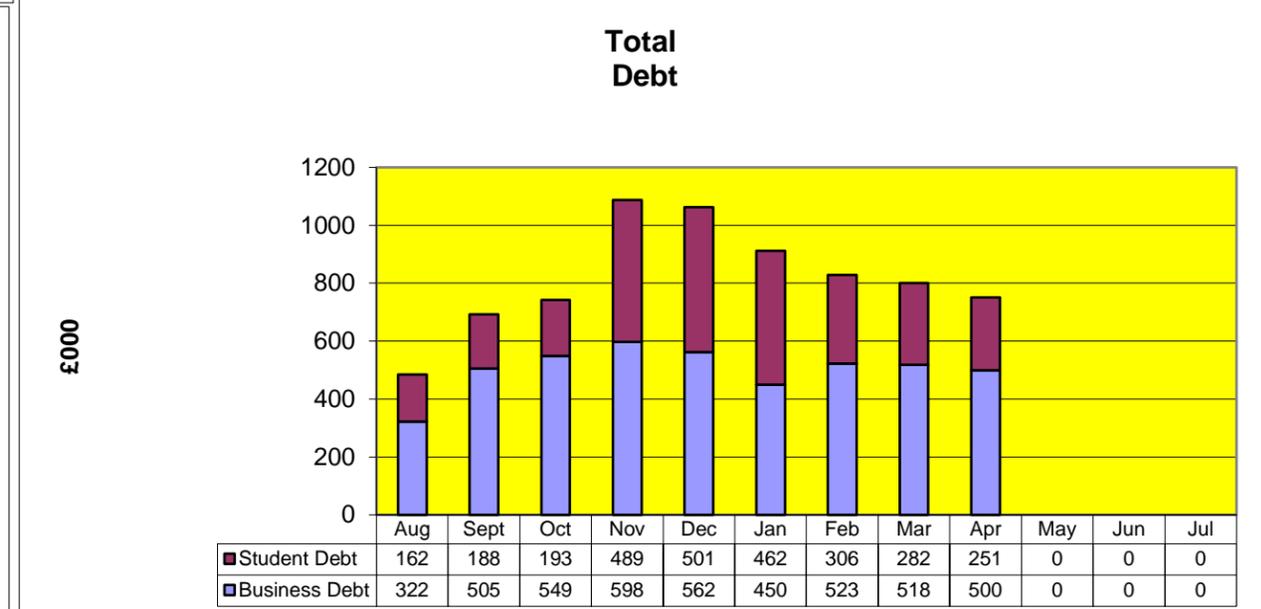
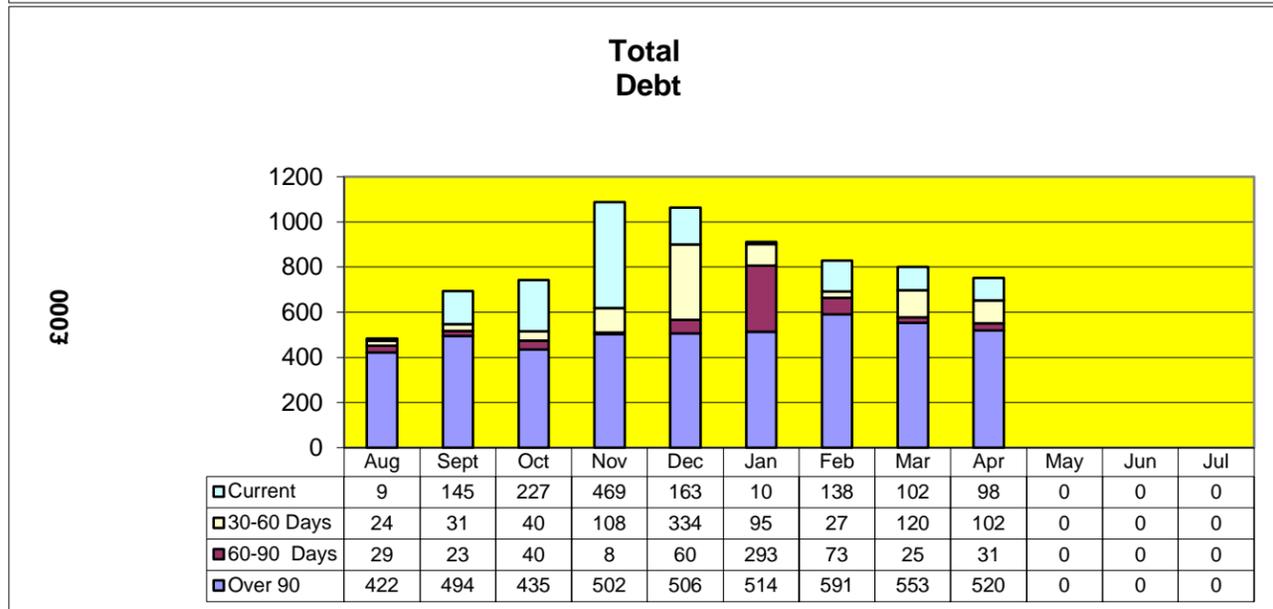
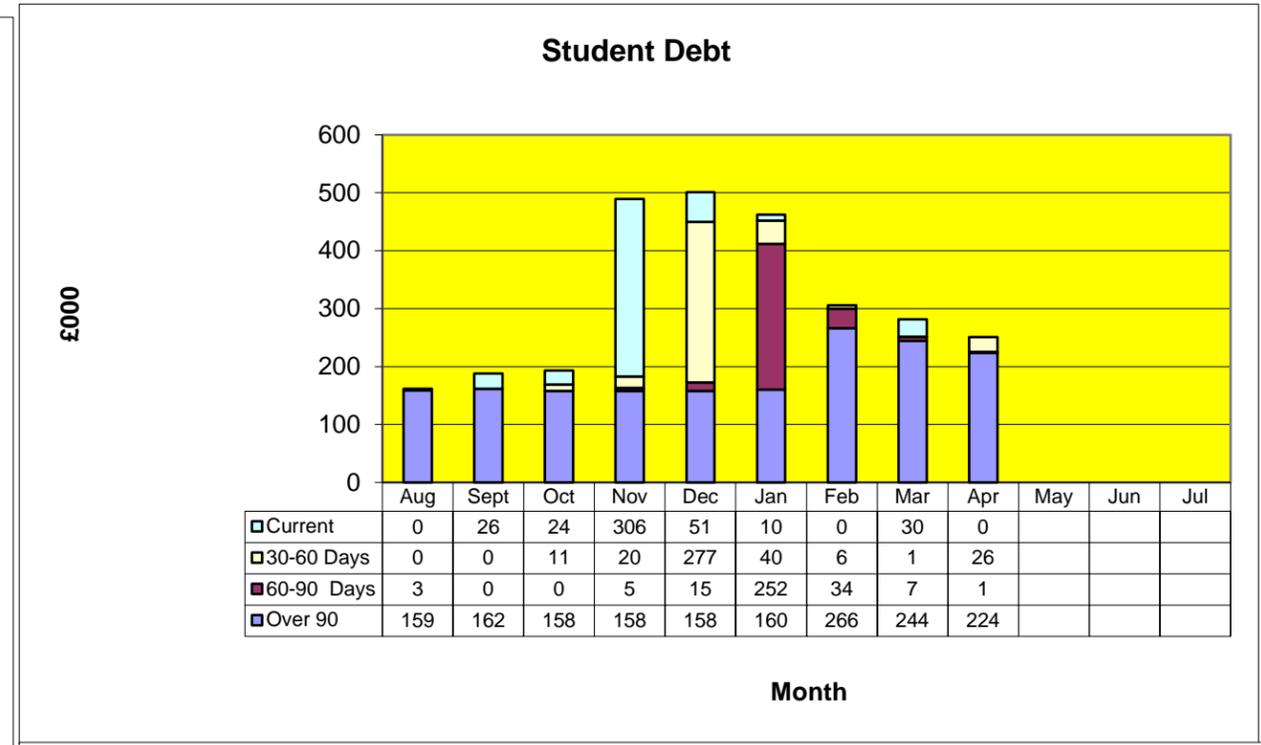
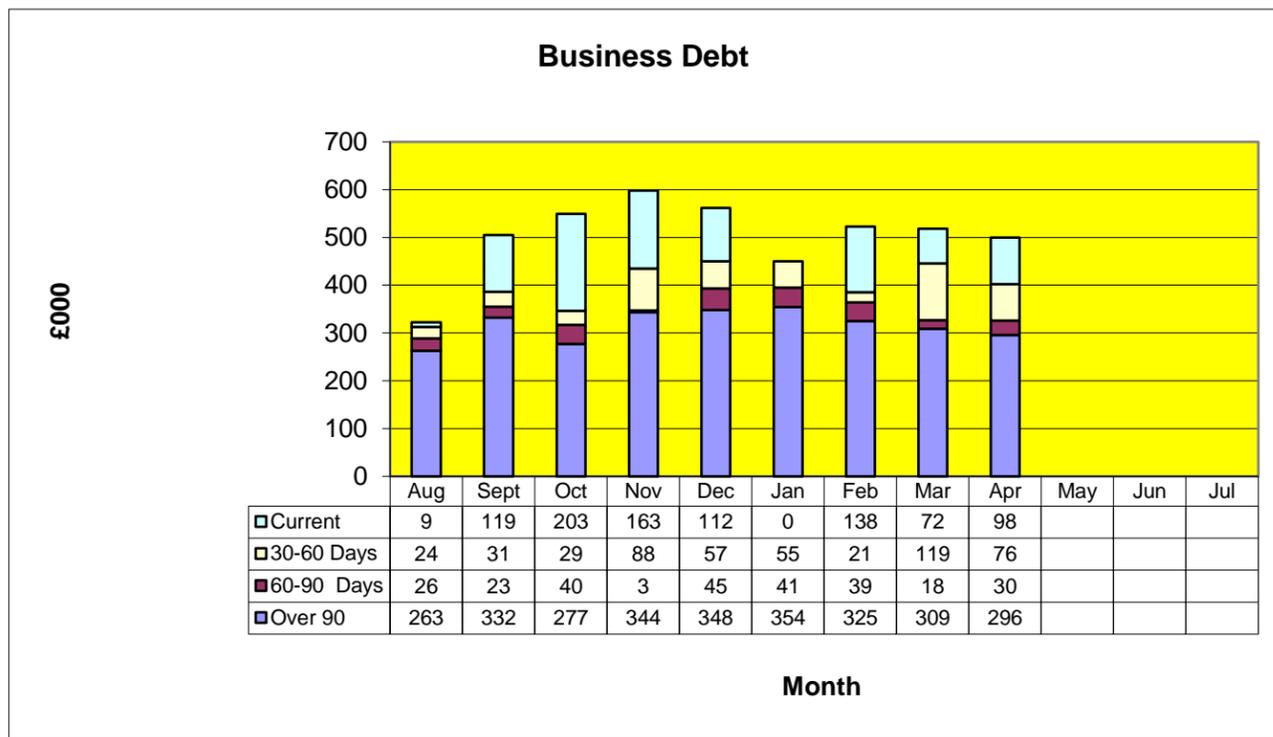
FORECAST CASH FLOW - 12 MONTHS - AUGUST 2016 TO JULY 2017

Report Para.		Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Forecast	Forecast	Forecast	TOTAL	Budget	Variance	Movement since LM	
		AUGUST	SEPT	OCT	NOV.	DEC	JAN	FEB	MARCH	APRIL	MAY	JUNE	JULY					
OPENING BALANCE	Current	14	3,326	2,644	2,571	1,325	1,513	1,475	1,852	2,954	3,973	3,216	3,022	3,267	3,326	3,326	0	0
	Deposit		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Total		3,326	2,644	2,571	1,325	1,513	1,475	1,852	2,954	3,973	3,216	3,022	3,267	3,326	3,326	0	0
INCOME																		
	Recurrent Grant (SFC)		-	-	500	900	900	900	-	1,643	-	500	1,000	1,320	7,663	7,446	217	0
	Other Grants (SFC) excl unitary charge		-	74	20	40	20	41	90	107	33	-	-	-	425	328	97	0
	Unitary Charge (SFC)		385	385	385	385	440	385	385	385	385	385	387	387	4,679	4,626	53	0
	UHI HE Income		363	363	401	415	399	415	415	401	364	497	497	98	4,628	5,174	(546)	0
	Tuition Fees & Charges		63	141	41	65	94	284	2,061	74	79	140	80	141	3,263	3,071	192	(11)
	Student Support Funds		198	265	230	234	244	258	38	33	170	310	305	107	2,392	2,224	168	31
	LEC contracts		19	28	45	85	58	11	34	51	31	20	40	40	462	400	62	1
	ESF funds		-	-	-	-	-	-	-	-	114	-	-	-	114	-	114	114
	Other Income		201	925	191	333	262	207	278	1,960	167	170	80	120	4,894	2,120	2,774	7
	TOTAL INCOME		1,229	2,181	1,813	2,457	2,417	2,501	3,301	4,654	1,343	2,022	2,389	2,213	28,520	25,389	3,131	142
	Transfers to and (from) deposit Account		0	0	0				0			0	0	0	0	0	0	0
EXPENDITURE																		
	Staff Costs		1,048	1,053	1,086	1,101	1,176	1,191	1,167	1,148	1,179	1,160	1,150	1,180	13,639	13,880	241	(9)
	Pension costs		8	8	8	8	8	8	8	8	8	8	8	8	96	96	0	0
	Creditor payments		364	477	501	380	393	295	324	465	297	482	360	335	4,673	4,858	185	139
	Unitary Charge payments		440	431	404	398	414	401	404	410	407	416	416	416	4,957	4,974	17	7
	Student Support Funds		-	178	272	236	404	206	222	194	148	150	150	10	2,170	2,260	90	72
	Inter account transfers		-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	0
	Other		51	107	788	146	60	23	74	1,410	61	-	60	325	3,105	185	(2,920)	(61)
	Bank Interest Payable		-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	0
	TOTAL EXPENDITURE		1,911	2,254	3,059	2,269	2,455	2,124	2,199	3,635	2,100	2,216	2,144	2,274	28,640	26,253	(2,387)	148
	Actual Monthly Movement		(682)	(73)	(1,246)	188	(38)	377	1,102	1,019	(757)	(194)	245	(61)	(120)	(864)	744	290
	<i>Budget Monthly Movement</i>																	
CLOSING BALANCE	Current	17	2,644	2,571	1,325	1,513	1,475	1,852	2,954	3,973	3,216	3,022	3,267	3,206	3,206	2,462	744	290
	Deposit		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Total		2,644	2,571	1,325	1,513	1,475	1,852	2,954	3,973	3,216	3,022	3,267	3,206	3,206	2,462	744	290
	<i>Cumulative Budget position</i>																	

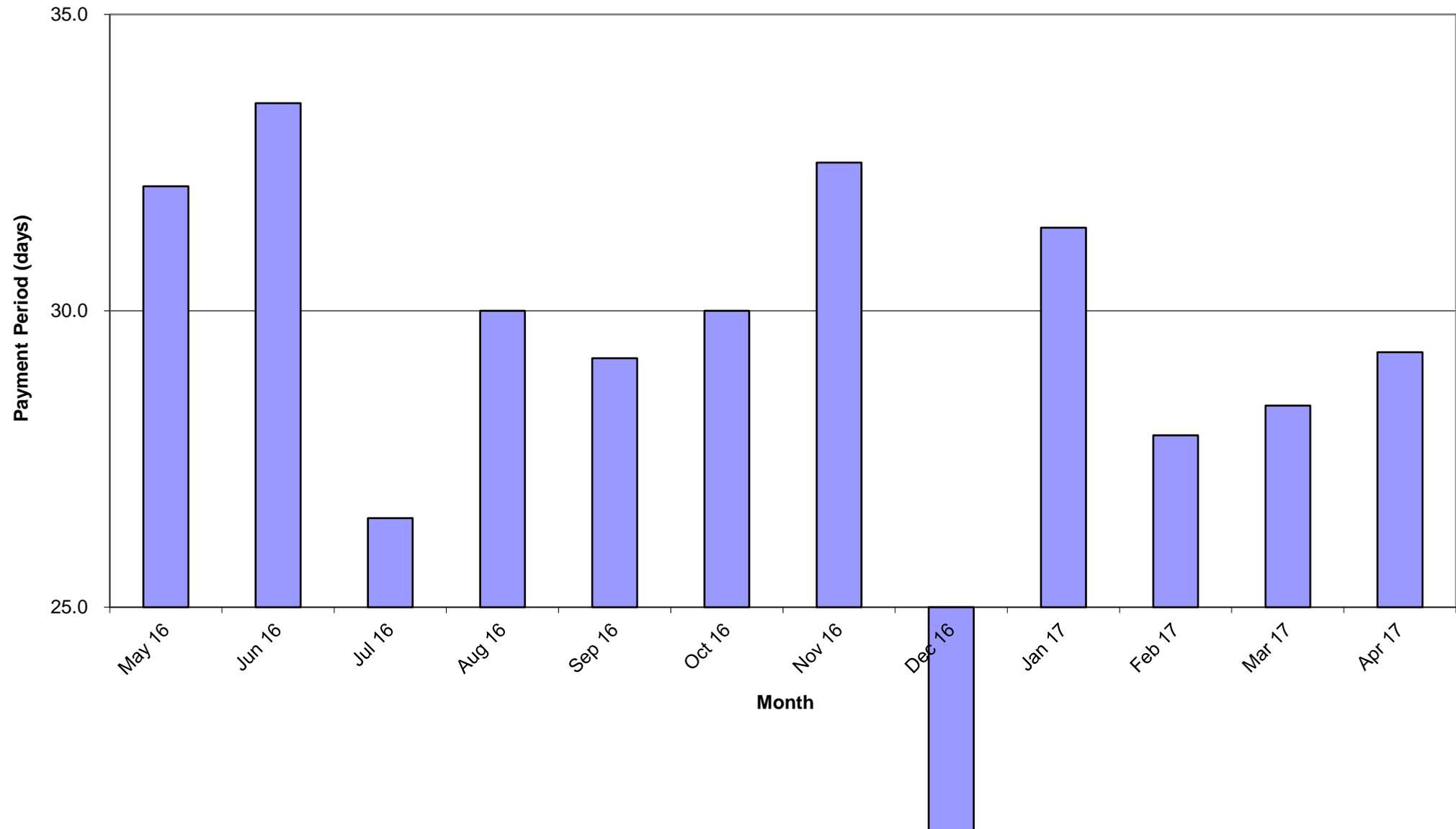
Inverness College

Debtors

Year 2016/17
Month April



Creditor Payment Periods (based on sampling monthly payment runs)



Inverness College

Year 2015/16
 Month April 2016

Income and Expenditure Report

	Year End		
	Forecast	Budget	Variance
Income			
Grants	12,312	12,066	246
Unitary Charge	4,595	4,532	63
Fees	3,223	2,871	352
Project Funding	365	487	(122)
Other Income	2,170	1,593	577
Deferred Grant	2,119	2,119	0
	<u>24,784</u>	<u>23,668</u>	<u>1,116</u>
Expenditure			
Staff	12,840	12,545	(295)
Other Staff	235	282	47
Property	1,278	1,203	(75)
Unitary Charge	3,959	4,056	97
Transport	87	83	(4)
Supplies	3,938	3,320	(618)
Depreciation	2,179	2,179	0
	<u>24,516</u>	<u>23,668</u>	<u>(848)</u>
Net Operational Surplus (Deficit)	<u>268</u>	<u>-</u>	<u>268</u>

Cash Flow Analysis

	Year End		
	Forecast	Budget	Variance
Income			
Recurrent Grant In Aid	7,482	7,420	62
Other Grants	4,860	4,779	81
UHI HE Grants	4,774	4,602	172
Fees & Charges	2,843	2,871	(28)
Student Support Funds	2,445	2,260	185
LEC Contracts	456	487	(31)
ESF Funds	-	-	0
Other Income	3,274	1,593	1,681
	<u>26,134</u>	<u>24,012</u>	<u>2,122</u>
Expenditure			
Staff	12,723	12,465	(258)
Pension Costs	96	96	0
Creditors	6,036	4,488	(1,548)
Student Support Funds	2,350	2,260	(90)
Inter Account Transfers	-	-	0
Other	6,231	6,914	683
Bank Interest	-	-	0
	<u>27,436</u>	<u>26,223</u>	<u>(1,213)</u>
Net Income (Expenditure)	<u>(1,302)</u>	<u>(2,211)</u>	<u>909</u>
Opening Bank Balance	<u>4,795</u>	<u>4,795</u>	<u>0</u>
Closing Bank Balance	<u>3,493</u>	<u>2,584</u>	<u>909</u>

Board of Management

Subject/Title:	Capital Expenditure Plan Report 2016/17		
Meeting and date:	Finance & General Purposes Committee – Thursday 8 June 2017		
Author:	Fiona Mustarde, Financial Services Manager		
Link to Strategic Plan:			
Cost implications:	Yes If yes, please specify:		
Risk assessment:	Yes If yes, please specify: Financial: Operational: Organisational:		
Status – Confidential/Non confidential	Non-confidential		
Freedom of Information Can this paper be included in “open” business	Yes		
If a paper should not be included within “open” business, please highlight below the reason.			
Its disclosure would substantially prejudice a programme of research (S27)		Its disclosure would substantially prejudice the effective conduct of public affairs (S30)	
Its disclosure would substantially prejudice the commercial interests of any person or organisation (S33)		Its disclosure would constitute a breach of confidence actionable in court (S36)	
Its disclosure would constitute a breach of the Data Protection Act (S38)		Other (please give further details)	
For how long must the paper be withheld? (express either as the time which needs to pass or a condition which needs to be met.)			

Recommendation(s)

The Committee is asked to discuss the projected outturn for the overall plan for 2016-17.

Purpose of report

To provide the Finance & General Purposes Committee with an update on the Capital Expenditure Plan for 2016/17, as at April 2017.

Background

The College receives capital funding from two main sources, SFC FE capital and UHI HE capital. The SFC FE capital funding can be split between maintenance, which can be used for buildings repair and maintenance, and capital which can be used for plant, equipment and ICT equipment purchases, as well as expenditure on buildings. However, there is a restriction on the UHI HE Capital grant, which can only be used for building expenditure. Capital funding normally follows an April to March year. Due to the late allocation of additional funding in-year, SFC agreed to an extension to 31 July 2017 to enable maximisation of the funds.

Capital Expenditure Monitoring to 30 April 2017

The table below shows the financial position as at 30 April 2017.

Description	2016/17 Initial Budget Allocation £	2016/17 Additional Allocation £	2016/17 Total Budget Allocation £	Spend to April 17 £	2016/17 Projected Outturn £	2015/16 Budget £
ICT Equipment	40,000	20,000	60,000	69,571	69,571	120,000
General Equipment	22,000	120,051	142,051	22,664	180,477	98,000
Buildings	148,133	245,660	393,793	37,348	274,000	37,000
Total	210,133	385,711	595,844	129,583	524,047	255,000

Funded by:	
SFC FE Grant	202,051
UHI HE Capital Grant	393,793
	595,844

Funded by:	
SFC FE Grant	202,051
ALF Grant	47,997
UHI HE Capital Grant	300,000
	550,048

At the end of September 2016 the SFC announced additional allocations of capital expenditure funding for FE and HE respectively at regional level. Various options were considered as to the most appropriate split of these funds across the region. At the end of November 2016 we were notified of the final allocation however this was after the papers for F&GP Committee had been submitted.

The grant funding from SFC for FE capital for 2016/17 is now £202,051 (previously notified as £187,000). The capital funding from UHI is £393,793 (previously notified as

£344,000). There had been a number of options which were looked at in relation to the split of funds but these figures reflect the final allocation approved by FERB and HEPPRC.

Normally capital funds would have to be spent by 31 March 2017. However, due to the late notice of the extensive additional allocations, SFC gave approval for an extension on HE spend until 31 July 2017. A point to note is that all funds must be defrayed by 31 July 2017.

Overall, the Capital Expenditure Plan for 2016/17 shows a projected outturn figure of £524,048. Although the spend to date is still relatively low, a number of contracts have been awarded with a view to ensuring that funds are spent within the required timeframe.

The buildings allocation has been particularly challenging to achieve and due to the size and complexity of one of the projects put forward, it is not now possible to progress this within the time and funding constraints.

Although in previous years a key part of the capital expenditure plan included resource plan requests from academic and support departments, depending on the nature of these requests they are now likely to be funded from College resources where possible. Many of these items tend to be below the capital expenditure limit and are therefore deemed to be revenue items. Only items over the relevant thresholds will be considered for capital funding.

Categories of Capital Expenditure

The budget for ICT equipment is now £60,000 and includes replacement PCs, NAS back-up solution for off-site storage and VC equipment.

The budget for General Equipment is £142,051. In September the College made an application to the Arm's Length Foundation (ALF) which included £127,000 for new equipment. Since hearing the announcement of additional SFC funding the College advised the ALF that we no longer require the £127,000 requested in September. The remainder of the ALF application is unaffected. This new equipment is largely plant and relates to both estates maintenance and curriculum delivery however the actual cost of some of these items was greater than the estimates. It is proposed that we request a release from the ALF in relation to the purchase of the replacement tractor.

The budget for buildings is now £393,793 and relates to all building capital expenditure including storage facilities, refurbishment of old SSF buildings and any necessary adjustments to the new campus buildings. We are forecasting an underspend on these funds of £93,793 due to delays associated with the refurbishment of the tractor shed at Balloch.

Board of Management

Subject/Title:	Business Development Update		
Meeting and date:	Finance and General Purposes Committee - 8 June 2017.		
Author:	Georgina Parker, Director of Business Development.		
Link to Strategic Plan:	Opportunity and Growth in Sustainability.		
Cost implications:	None arising directly from this report.		
Risk assessment:	Yes If yes, please specify:		
Status – Confidential/Non confidential	Non-confidential.		
Freedom of Information Can this paper be included in “open” business	Yes.		
If a paper should not be included within “open” business, please highlight below the reason.			
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Its disclosure would substantially prejudice the commercial interests of any person or organisation (S33)		Its disclosure would constitute a breach of confidence actionable in court (S36)	
Its disclosure would constitute a breach of the Data Protection Act (S38)		Other (please give further details)	
For how long must the paper be withheld? (express either as the time which needs to pass or a condition which needs to be met.)			

Recommendation(s)

The Finance and General Purposes Committee (FGPC) is asked to note this report.

Purpose of report

To provide the F&GPC with an in-year report on Business Development activity.

Background

The main purpose of the Business Development function is to engage with individuals, business, the community and external agencies to maximise all available income streams.

Business Solutions

- Business Development Short course income is below for the 9 months to April, at £213K against a budget of £214K. April income was significantly lower than planned, partly due to course cancellations resulting from staff sickness and the impact of the recent strike. Income is still on track to exceed budget, particularly if the cancelled courses can be rescheduled in-year. (See page 3 budget summary)
- The 2016/7 Modern Apprenticeship contract ended on 31st March. The outturn was £397K, against an original contract of £354K.
- The 2017/8 contract for Modern Apprenticeships was confirmed in April as £416K. This represents an 18% increase on the previous year's contract.
- New Modern Apprenticeships approved for delivery in 2017/18 include: Trees and Timber, Financial Accountancy and Customer Service. Frameworks not awarded include: Business Administration and Sport.

International Development

- The 2017 Summer School commences on 31st April, with students and faculty staff from Utah Valley University, Jacksonville University and Stetson University. The college first delivered commercial summer schools in 2016. Margins have increased this year due to the ability to use the campus residences.
- The Director of Business Development visited Utah and Florida universities in April 2017.
- Wisconsin Platteville University, Westminster University Salt Lake City and Flagler College are planning summer schools in 2018. MOU's have been put in place with UHI to support both commercial and academic partnership development. Commercial and partner opportunities were also identified during the US trip for West Highland College. These are being progressed.
- An MOU has been put in place with Toyko Nodai University in Hong Kong, a specialist Agricultural University whose curriculum and research activity aligns with that of the Scottish School of Forestry, the Rivers and Lochs Institute and SAMS. There is potential interest in a commercial summer school.

Create

- Income at month 9 for Create was slightly higher than profile at £92K against a budget of £78K, however expenditure was also higher at £156K against a budget of £141K, regulating in an increased investment of £2K in the services of Create. (See page 4 budget summary).
- Bridge to Business contract delivery is in progress. However, the Highland Council has yet to allocate provision under our framework agreement.
- A new Post Graduate Certificate in Global Entrepreneurship was approved by the UHI Approval Panel in May 2017, with 5 commendations and only 2 conditions, both of which have been actioned.
- Create is exploring the development of a further Post Graduate Certificate, in Education for Creativity, Employability and Innovation. This would be aimed at educators, based on the SEE programme and would be online to meet perceived demand both nationally and globally.

CREATE BUDGET SUMMARY

FOR THE PERIOD: 9 MONTHS TO 30TH APRIL 2017			
Month - April	Actual £	Phased Budget £	Variance £
<u>Income</u>			
Grants	0	8,750	(8,750)
Other	0	0	0
	0	8,750	(8,750)
<u>Expenditure</u>			
Staff Costs	16,288	15,726	(562)
Non Staff Costs	155	0	(155)
	16,444	15,726	(718)
Net Operational Surplus / (Deficit)	(16,444)	(6,976)	(9,468)
9 Months to 30th April 2017	Actual £	Phased Budget £	Variance £
<u>Income</u>			
Grants		0	0
Other	92,176	78,750	13,426
	92,176	78,750	13,426
<u>Expenditure</u>			
Staff Costs	145,195	141,530	(3,666)
Non Staff Costs	11,054	0	(11,054)
	156,249	141,530	(14,720)
Net Operational Surplus / (Deficit)	(64,073)	(62,780)	(1,294)
Forecast to 31 July 2017	Forecast £	Budget £	Variance £
<u>Income</u>			
Grants	129,112	105,000	24,112
Other		0	0
	129,112	105,000	24,112
<u>Expenditure</u>			
Staff Costs	188,706	188,706	0
Non Staff Costs	30,000	0	(30,000)
	218,706	188,706	(30,000)
Net Operational Surplus / (Deficit)	(89,594)	(83,706)	(5,888)

Note: This does not include any income for credit bearing activity.

Board of Management

Subject/Title:	Risk Register Annual Review		
Meeting and date:	Finance & General Purposes Committee, 8 June 2017		
Author:	Roddy Henry, Acting Principal		
Link to Strategic Plan:	Yes		
Cost implications:	No		
Risk assessment:	No If yes, please specify:		
Status – Confidential/Non confidential	Non confidential		
Freedom of Information Can this paper be included in “open” business	Yes		
If a paper should not be included within “open” business, please highlight below the reason.			
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Its disclosure would substantially prejudice the commercial interests of any person or organisation (S33)		Its disclosure would constitute a breach of confidence actionable in court (S36)	
Its disclosure would constitute a breach of the Data Protection Act (S38)		Other (please give further details)	
For how long must the paper be withheld? (express either as the time which needs to pass or a condition which needs to be met.)			

Recommendation:

The committee is asked to discuss this paper.

Purpose of report / Summary

To provide the committee with a summary of the risks on the college's Risk Register that relate to the remit of the committee, in order to enable the committee to review the residual risks.

Background

The college maintains a Risk Register that is now in line with the overall UHI Risk Register. The risks are reviewed periodically through the committee of the college's SMT.

Main body of information

The risk register is attached below. In terms of its remit, the committee's attention is drawn to the following risks in particular:

Ref ID	Category	Risk Description
Inverness/9	Financial	College fails to identify and take opportunities for development and progression
Inverness/15	External	Reduction in HE unit of resource
Inverness/17	External	Financial instability of UHI
Inverness/19	Organisational	College does not achieve allocated HE student number targets.
Inverness/20	Organisational	College does not achieve allocated FE Credit targets.
Inverness/25	Organisational	Financial failure/operating loss. Inability to achieve a balanced budget.
Inverness/26	Organisational	College estate not fit for purpose.
Inverness/29	Financial	Institutional, personal and sensitive data is corrupted, lost, stolen or misused or services are disrupted through malicious and illegal activities by external individuals or bodies.

Roddy Henry
Acting Principal

UHI STRATEGIC RISK REGISTER TEMPLATE

Inverness

TIMESCALE 3 Years

Ref ID	Risk Status	Category	Risk Description	Causes	Impacts/Evidence	Owner	Likelihood	Impact	Gross Risk	Actions to minimise risk in place	Residual Likelihood	Residual Impact	Residual Risk
Inverness/9	Active	Financial	College fails to identify and take opportunities for development and progression	lack of investment; insufficient funding; focus on mitigating downside risks; lack of strategic planning; lack of senior management resource; performance management focus on maintaining status quo; partners and stakeholders do not engage into proposed change; failure to develop commercial and international income streams.	Stagnation; lack of research and innovation; loss of potential income; reputational damage; curriculum becomes out of date; College is not seen as the partner of choice.	Principal	4-Likely	4-Major	16	Oversight of curriculum planning process led by Depute Principal. Chairing Research Committee to review progress income/investment balance of each research grouping, continued	3-Possible	3-Significant	9
Inverness/15	Active	External	Reduction in HE unit of resource	Government reduces HE funding; increase in top-slice.	Unable to meet staffing costs, unable to offer remitted time to develop research and therefore unable to enhance teaching and to attract and recruit new staff and students.	Director of Corporate Services	4-Likely	4-Major	16	Regular finance monitoring reports circulated to budget holders, SMT and Board of management. Monitor financial KPI's reported to Board to ensure we are meeting and exceeding collective activity	4-Likely	4-Major	16
Inverness/17	Active	External	Financial instability of UHI	Financial instability of UHI academic partners.	Reduced unit of resource to the College; unable to meet operating costs, unable to develop new curriculum, unable to develop research, surpluses are taken from the College, unable to attract and recruit new staff and students.	Director of Corporate Services	4-Likely	4-Major	16	Regular finance monitoring reports circulated to budget holders, SMT and BOM. Monitor financial KPI's reported to Board to ensure we are meeting and exceeding collective activity	4-Likely	4-Major	16
Inverness/18	Active	Organisational	College fails to maintain improvement in performance against national targets and outcomes	Staff recruitment; staff training; student recruitment; lack of staff buy in targets and outcomes.	Reputational damage; partners fail to support in College development; SFC intervention.	Depute Principal	3-Possible	3-Significant	9	Implement targeted intervention and internal review of learning and teaching processes	2-Unlikely	4-Major	8
Inverness/19	Active	Organisational	College does not achieve allocated HE student number targets	Failure to recruit sufficient students due to various factors such as: over ambitious PPF target, poor marketing, curriculum gaps, poor NSS result, poor relationship with schools etc	Reduction of college income from UHI, regional student number target at risk resulting in possible clawback to SFC from UHI in year or reduction in future years grant.	Depute Principal	5-Almost certain	3-Significant	15	Rigorous curriculum planning process in place, proactive development of school/college relationships, proactive development of relationships with employers, excellent quality management processes, systematic monitoring of applications through to enrolment.	3-Possible	3-Significant	9
Inverness/20	Active	Organisational	College does not achieve allocated FE Credit targets.	Failure to recruit sufficient students due to various factors such as: reduction in school leaver numbers, curriculum that lacks relevance to local economy, curriculum gaps, ineffective marketing and engagement with local schools/employers	Reduction of college income from UHI, regional student number target at risk resulting in possible clawback to SFC from UHI in year or reduction in future years grant.	Depute Principal	5-Almost certain	4-Major	20	Rigorous curriculum planning process in place, proactive development of school/college relationships, proactive development of relationships with employers, excellent quality management processes, systematic monitoring of applications through to enrolment.	2-Unlikely	3-Significant	6
Inverness/21	Active	Organisational	The institution has a poor reputation.	Significant or sustained adverse publicity, governance/management failure, negative comments on social media, poor academic results, poor performance in league tables, significant withdrawal rates, major health and safety incident, student/staff involvement in criminal activity	inability to recruit students or attract and retain high calibre staff, inability to attract funding and/or develop strategic partnerships.	Principal	5-Almost certain	3-Significant	15	Internal audit of governance procedures (supported by additional process of external validation of self-evaluation), current and effective policy environment closely monitored to ensure compliance, use of externally validated quality frameworks to support organisational commitment to quality enhancement. Close monitoring of PIs and implementation of systematic process to effect improvement where remedial action required. PVG checks undertaken. Proactive promotion of collective ownership of Health and Safety management. H & S management system implemented and systematically reviewed. On-going media relationship management.	2-Unlikely	2-Minor	4
Inverness/22	Active	Organisational	Disruption to services/projects and/or partnership working resulting from loss of a key staff member.	Retirement, resignation or death in service of key staff member(s). Inadequate succession planning. Unsystematic management of corporate knowledge, Associated knock on impacts resulting from transition arrangements with staff acting up and possible failure of backfill solutions.	Projects delayed due to loss of continuity, corporate knowledge gaps and disruption/loss of established relationships and contacts.	Director of Organisational Services	3-Possible	2-Minor	6	Workforce planning process adopted to anticipate future skill need, staff development funding aligned with strategic plan to support succession planning, in particular development of skill sets to support future curriculum developments, systematic recording of corporate procedures and corporate knowledge, systematic approach taken to development of supervisory skills and leadership and management to support succession planning.	3-Possible	3-Significant	9
Inverness/23	Active	Organisational	Non-compliance with relevant statutory regulations.	Lack of awareness of relevant laws and penalties. Management failures. E.g new General Data Protection Regulation from 25th May 2018, Bribery Act, Health and Safety Regulations etc. Lack of incident and near miss reporting; high risk courses e.g. forestry, construction, aquaculture, science; people failing to take responsibility or ownership for health and safety issues.	GDPR will provide new rights for individuals and impose additional obligations on data controllers and processors. GDPR will also introduce an increased penalty framework for non-compliance/data breaches and includes new requirements for authorities to ensure that they maintain evidence to demonstrate compliance with the Law. Major risk to reputation caused by serious health and safety incident; risk to students caused by non-compliance with PVG/Disclosure requirements	Principal	5-Almost certain	3-Significant	15	Dedicated Health and Safety Management role. Health and Safety Management system implemented, systematic use of internal audit, SMT commitment and proactive leadership to develop a strong H & S management culture, strong emphasis on near miss recording and lessons learned, H & S Committee chaired by Principal, systematic recording and analysis of incidents, accident and near miss trends, Dedicated Data Controller role with responsibility for awareness raising and adaptation of policy/procedures in line with legislative change, current shared project on effective data management with IT Manager, rigorous implementation of mandatory staff training. Director of Organisational Development with direct responsibility for awareness raising and adaptation of policy/procedure in line with legislative change. All of the above reported systematically to relevant Board of Management Committees.	2-Unlikely	3-Significant	6
Inverness/24	Active	Organisational	Governance Failure.	Governing body does not have an appropriate balance of skills and experience. Role of a governor/director is perceived to be onerous making it difficult to attract a broad range of high calibre individuals to serve for non-remunerated roles.	Recent advertisements for new members have attracted few applications;	Chair of the Board of Management	3-Possible	3-Significant	9	Regular recruitment drives undertaken. Skills matrix approach used to support recruitment of members with relevant skills base. Proactive approach taken to encourage application from diverse backgrounds, development of strong governance culture verified through internal audit processes and external validation of self-evaluation procedures.	2-Unlikely	2-Minor	4

Inverness/25	Active	Organisational	Financial failure/operating loss. Inability to achieve a balanced budget.	Increased pay costs (national bargaining), pensions and NI contributions. Efficiency savings are not achieved quickly enough to counteract reductions in income.	Services cut resulting in reduction of teaching expertise and/or research capacity leading to a reduction in service quality leading to student dissatisfaction and risk of reputational damage; missed opportunities for development.	Principal	4-Likely	4-Major	16	Efficiency savings achieved through efficient and effective deployment of staff, effective cost control, all spend aligned to achievement of strategic aims and objectives. Lobbying regionally for share of regional funding that reflects actual learning and teaching delivered. Lobbying nationally for increased funding for Highlands and Islands region to reflect on going increasing participation rates. Development of alternative income streams, SDS and apprenticeship family, bespoke provision, international summer schools, catering business and events management.	4-Likely	3-Significant	12	
Inverness/26	Active	Organisational	College estate not fit for purpose.	Risk of little new capital project expenditure caused by partnership perception of significant recent estates development. Potential for rapid growth of student population without investment in new expanded facilities. Risk to student satisfaction scores in the absence of a dedicated student union social space.	Unable to meet new growth targets; unable to diversify in line with emerging opportunities; unable to provide the economies of scale required to counter the financial challenges of smaller partners.	Director of Corporate Services	3-Possible	3-Significant	9	Space utilisation audits undertaken to support efficient use of the estate. Centralised timetabling to ensure efficient use of the estate. Twilight classes introduced to ease pressure on rooms. Collaborative projects pursued to create opportunities for growth that do not require estates development. Development work undertaken to maximise blended learning opportunities/use of VLE to reduce required face to face teaching.	2-Unlikely	3-Significant	6	
Inverness/27	Active	Organisational	Academic quality is sub standard	Difficulty recruiting and retaining high calibre staff. Conditions and terms of employment are not competitive with limited scope for career progression; quality enhancement policies and processes are ineffective; student engagement is weak; performance management systems are ineffective.	Poor performance in quality monitoring/assurance reviews. Loss of staff to competitor institutions. Poor attainment levels, high level of withdrawal and poor retention, loss of income, damage to reputation.	Principal	3-Possible	3-Significant	9	Achievement and maintenance of IIP Gold reflecting organisational commitment to staff, development and maintenance of attractive recognition and reward systems, alignment with national pay bargaining, investment in CPD and staff development, not least support for advanced degree study, development of research and scholarship scheme, encouragement of staff ERASMUS exchange participation. Effective, rigorous quality management systems, systematic monitoring and reporting on PI trends and external verification processes. Effective staff induction and effective observation of learning and teaching. Maintenance of higher levels of formal teacher training certification. Development of research teaching linkages, promotion of conference attendance and speaking. Excellent employer engagement. Formal monitoring of quality of the student experience through the Learning and Teaching Committee of the Board of Management.	2-Unlikely	3-Significant	6	
Inverness/28	Active	Organisational	Poor Student Experience	No student union provision, restricted space available for students to interact socially our of college hours, inability to create a student community feel.	Poor performance in national student satisfaction surveys; difficulty in recruiting students; Risk to core income streams.	Principal	2-Unlikely	2-Minor	4	Partnership approach in place to enhance the student experience evidenced by the Student Partnership Agreement, multi-faceted approach to student engagement and student feedback. Student feedback scores, trends and themes monitored systematically and inform action planning. Regional lobbying for capital funds to support the development of a students' union facility.	3-Possible	3-Significant	9	
Inverness/29	Inactive	Financial	Institutional, personal and sensitive data is corrupted, lost, stolen or misused or services are disrupted through malicious and illegal activities by external individuals or bodies.	Poor IT security measures. Equipment with security holes. Poor patching regime. Anti-virus is not up-to-date and comprehensive. Firewalls are configured incorrectly. Coordinated DDOS attack on university infrastructure. Increasing number of security alerts. DDOS attacks on UK academic institutions up to 527 in 2015 - Janet CSIRT. Increase in cyber attacks such as ransomware reported in national media.	Information Commissioner fine of up to £500k. Adverse press coverage. Loss of confidence by regulators, stakeholders and HE sector. Ransomware encryption has been detected on UHI network.	Principal	3-Possible	2-Minor	6	Firewalls and proxy filters automatically updated regularly. Proactive internal and external NVT and external scanning for at risk devices. Anti-virus software deployed to all corporate devices. Wi-Fi BYOD on segregated VPN. WSUS servers in place for regular MS Windows updates. Use of Janet Security advice service and UHI Helpdesk issues alerts for known attacks. UHI IT security group formed to share intelligence and react to published alerts. OpenDNS applied to cache filtering with added protection functionality against botnet, malware etc.. Real IP address ranges reduced. Out of hours password reset enabled.	3-Possible	3-Significant	9	2
Inverness/30	Active	Organisational	Research outputs are sub standard	Inability to fund remission to enable the publication of sufficient quality papers and upload to PURE; loss of opportunity to develop strong RTL; loss of key staff; lack of funding; terms and conditions of employment are not comparable with competitor organisations; impact of Brexit on access to European projects.	Damage to reputation. Brexit. Poor performance in next REF. Inability to retain staff and research teams. Reduced income; negative impact on recruitment.	Head of Research and Post Graduate Development	3-Possible	2-Minor	6	Significant college annual investment in research to support development of research institutes and research embedded in the curriculum. Research and scholarship fund established to encourage further staff engagement in the research agenda. Support for staff through staff development fund to attend and speak at conferences. Dedicated research posts created. Proactive targeting of grant funding to support research activity. Staff encouraged to seek financial support for activity through relevant available UHI funds.	3-Possible	2-Minor	6	

LIKELIHOOD CRITERIA**TIMESCALE 3 YEARS**

Score	Descriptor	Probability
5-Almost Certain	More than likely – the event is anticipated to occur	>80%
4-Likely	Fairly likely – the event will probably occur	61-80%
3-Possible	Possible – the event is expected to occur at some time	31-60%
2-Unlikely	Unlikely – the event could occur at some time	10-30%
1-Very Rare	Remote – the event may only occur in exceptional circumstances	<10%

IMPACT - CRITERIA

TIMESCALE 3 YEARS

Score	Description	Financial	Operational	Reputational (need to link to communications process for incident management)
5 - Catastrophic	A disaster with the potential to lead to: <ul style="list-style-type: none"> loss of a major UH partner loss of major funding stream 	> £500,000 or loss of key partner	<ul style="list-style-type: none"> Likely loss of key partner, curriculum area or department Litigation in progress Severe student dissatisfaction Serious quality issues/high failure rates/major delivery problems 	<ul style="list-style-type: none"> Incident or event that could result in potentially long term damage to UH's reputation. Strategy needed to manage the incident. Adverse national media coverage Credibility in marketplace and with stakeholders significantly undermined.
4 - Major	A critical event which threatens to lead to: <ul style="list-style-type: none"> major reduction in funding major reduction in teaching/research capacity 	£250,000 - £500,000 or lead to possible loss of partner	<ul style="list-style-type: none"> Possible loss of partner and litigation threatened Major deterioration in quality/pass rates/delivery Student dissatisfaction 	<ul style="list-style-type: none"> Incident/event that could result in limited medium-short term damage to UH's reputation at local/regional level. Adverse local media coverage Credibility in marketplace/with stakeholders is affected.
3 - Significant	A significant event, such as financial/operational difficulty in a department or academic partner which requires additional management effort to resolve.	£50,000 - £250,000	<ul style="list-style-type: none"> General deterioration in quality/delivery but not persistent Persistence of issue could lead to litigation Students expressing concern 	<ul style="list-style-type: none"> An incident/event that could result in limited short term damage to UH's reputation and limited to a local level. Criticism in sector or local press
2 - Minor	An adverse event that can be accommodated with some management effort.	£10,000 - £50,000	<ul style="list-style-type: none"> Some quality/delivery issues occurring regularly Raised by students but not considered major 	<ul style="list-style-type: none"> Low media profile Problem commented upon but credibility unaffected
1 - Insignificant	An adverse event that can be accommodated through normal operating procedures.	<£10,000	<ul style="list-style-type: none"> Quality/delivery issue considered one-off Raised by student but action in hand 	<ul style="list-style-type: none"> No adverse publicity Credibility unaffected and goes unnoticed

Note: Select criteria most appropriate. Use highest score if more than one criterion applies.

RISK MAP (for Gross risk & residual risk)		TIMESCALE 3 YEARS				
IMPACT		5	10	15	20	25
5 - Catastrophic		5	10	15	20	25
4 - Major		4	8	12	16	20
3 - Significant		3	6	9	12	15
2 - Minor		2	4	6	8	10
1 - Insignificant		1	2	3	4	5
		1 - Very Rare	2 - Unlikely	3 - Possible	4 - Likely	5 - Almost Certain
		LIKELIHOOD				

Attention should also be paid to risks that are very rare or unlikely that could cause a catastrophic impact.

Board of Management

Subject/Title:	Students' Association Budget 2017/18		
Meeting and date:	Finance & General Purposes Committee – Thursday 8 June 2017		
Author:	Fiona Mustarde, Financial Services Manager		
Link to Strategic Plan:			
Cost implications:	Yes If yes, please specify: Loss of income		
Risk assessment:	Yes / No (<i>delete as applicable</i>) If yes, please specify: Financial: Operational: Organisational:		
Status – Confidential/Non confidential	Non-confidential		
Freedom of Information Can this paper be included in "open" business	Yes		
If a paper should not be included within "open" business, please highlight below the reason.			
Its disclosure would substantially prejudice a programme of research (S27)		Its disclosure would substantially prejudice the effective conduct of public affairs (S30)	
Its disclosure would substantially prejudice the commercial interests of any person or organisation (S33)		Its disclosure would constitute a breach of confidence actionable in court (S36)	
Its disclosure would constitute a breach of the Data Protection Act (S38)		Other (please give further details)	
For how long must the paper be withheld? (express either as the time which needs to pass or a condition which needs to be met.)			

Recommendation(s)

The Committee is asked to note the budget for the Inverness College Students' Association for 2017/18.

Purpose of report

To inform the Committee of the budget for the Inverness College Students' Association for the coming year, 2017/18.

Background

The Inverness College Students' Association (ICSA) is a separate entity and not part of Inverness College UHI. The College does however provide support to ICSA in a variety of ways. The main financial support is through the College employing the ICSA staff.

At the ICSA AGM on Thursday 25 May 2017, the budget for year 2017/18 was approved. The tables below outline the budget position. ICSA also agreed to merge with HISA, the UHI Students' Association.

Budget for 2017-18

Projected Income	2016/17		2017/18
	Budget (£)		Budget (£)
1. Stationery Shops	7,500		8,000
2. NUS Extra Cards	1,300		1,300
3. Hoodies	5,500		2,000
4. Promotions	400		400
5. Invoices	500		800
Total	15,200		12,500

Projected Expenditure	2016/17		2017/18
	Budget (£)		Budget (£)
1. Stationery Shops	5,000		5,250
2. Printing Costs	220		220
3. Petty Cash	250		250
4. Rentals	900		500
5. NUS Affiliation Fees	280		250
6. Promotions	1,700		2,000
7. Clubs & Societies	600		500
8. Entertainment/Hospitality	900		500
9. Office Bearer Expenses	1,500		1,500
10. Insurance	400		420
11. Hoodies	4,000		2,000
12. Diaries	0		2,000
Total	15,750		15,390

Although this is a deficit budget, ICSA have advised that they have surplus funds in the bank to deal with this.

Board of Management

Subject/Title:	International Strategy.		
Meeting and date:	Finance and General Purposes Committee - 8 June 2017.		
Author:	Georgina Parker, Director of Business Development.		
Link to Strategic Plan:	Opportunity and Growth in Sustainability. Opportunity and Growth in Student Life		
Cost implications:	None arising directly from this report.		
Risk assessment:	Yes If yes, please specify:		
Status – Confidential/Non confidential	Non-confidential.		
Freedom of Information Can this paper be included in “open” business	Yes.		
If a paper should not be included within “open” business, please highlight below the reason.			
Its disclosure would substantially prejudice a programme of research (S27)		Its disclosure would substantially prejudice the effective conduct of public affairs (S30)	
Its disclosure would substantially prejudice the commercial interests of any person or organisation (S33)		Its disclosure would constitute a breach of confidence actionable in court (S36)	
Its disclosure would constitute a breach of the Data Protection Act (S38)		Other (please give further details)	
For how long must the paper be withheld? (express either as the time which needs to pass or a condition which needs to be met.)			

Recommendation(s)

The Finance and General Purposes Committee (FGPC) is asked to note the current position of the International Strategy

Purpose of report

To update the committee on the review of the College’s International Strategy and to give an overview of current and planned international business development activity.

Background

Inverness College UHI has an International Strategy, developed in 2014/15 and has a small International Development team.

The College has invested in international travel and development activities throughout the period of the strategy and has undertaken student recruitment activities funded by UHI World. Direct student recruitment has proven to be challenging, in the face of competition from more prominent Scottish and UK Universities.

However, commercially funded Summer Schools were delivered for the first time at the College in 2016, with university students from the USA. These programmes were well received, profitable and represent an opportunity for growth, both in the United States and in East Asian markets. The summer schools have helped to build strong relationships with Universities in Utah and Florida, resulting in recommendations to other institutions and opportunities for our students to apply to study in the USA for a semester.

Other international successes for the College include our Erasmus contracts, which have grown year on year. These provide opportunities for our students and staff to travel abroad to learn and to study alongside incoming foreign students.

The University of the Highlands and Islands does not have a current strategy for international business development and its “UHI World” department has reduced in size, with posts becoming vacant being removed. The University attempted to develop an international strategy in 2016, which was rejected by the partner colleges.

At the time of commencing the College’s strategic review, the Principal and SMT felt that any review of the international strategy should be undertaken at a later date, given the relationship to UHI World, unknown factors relating to Brexit, the new VP International role in the UHI SMT and internal staff changes.

In the meantime, our International Business Development team will focus on the following priorities:

1. Developing the commercial international short course programme offering, currently aimed at Universities in the USA and in East Asia
2. Promoting opportunities for students and staff under our extended Erasmus contract
3. Promoting new and existing online courses, including the new PGCE in Global Entrepreneurship
4. Nurturing relationships with Universities with whom the College has or is developing Memoranda of Understanding, to provide opportunities for student exchange and academic collaboration
5. Working with Scottish Development International (SDI) to seek support in developing a meaningful international strategy and using their free consultants to identify opportunities in international markets
6. Engaging with College Development Network (CDN) and SDi as part of a Scottish bidding consortium

International Strategy

To continue to develop international income streams through direct international student recruitment and international organisational partnerships.

(Inverness College UHI Strategic Plan 2014-2017)

Inverness College UHI is beginning to see the benefits of its international efforts but more is required in order to maximise the opportunities from existing partnerships and proactive generation of new relationships. Numbers of incoming students are beginning to rise due to increased direct recruitment and summer school activity, largely due to the work of our in-country coordinators in North America, Hong Kong and Brazil and it is essential that we continue to build momentum through new market and product development.

Internationalisation is not only an important element of our ability to generate income but an essential activity which enriches the student experience. Opportunities for our students to study abroad through exchanges, internships and training programmes such as ERASMUS + or with one of our global partners, provides a broader context in terms of theoretical learning and practical applications.

Investing in our staff and encouraging them to use our international reach to support research and CPD objectives is also critical to our long term development. Exposure to new international experiences will create ambassadors that will encourage future activity and allow growth and development benefiting the individual and Inverness College UHI.

Strategic Objective 1: To build and sustain international student recruitment.

We will achieve this by:

- Maximising relationships with existing partner institutions to identify joint projects in areas of common interest.
- Development of market research to identify countries of interest and institutions within those countries with whom we are aligned.
- Identification of products and opportunities for customisation appropriate to our target market.
- Proactive recruitment of agents and intermediaries that will support the work of Inverness College UHI in country.
- Development of a proactive programme of summer school activity.

Strategic objective 2: To provide the necessary support infrastructure that is both attractive and necessary to support international student recruitment.

We will achieve this by:

- Support for the development of an appropriate, sustainable solution for our need for high quality student residences.
- Increasing the numbers signed up as host families both for direct applicants and summer school activity.
- Creation of an appropriately resourced, formal, social / cultural programme.
- Ensuring a clear, streamlined approach for international applications, admissions and international project applications.

Strategic objective 3: To raise our international profile and awareness of Inverness College UHI.

We will achieve this by:

- Creation of appropriate marketing communications and proposition material for niche markets and product areas.
- Recruitment of in-country agents and coordinators, agreement of specific, measurable KPI's and provision of appropriate materials to support achievement of this objective.
- Fully utilising our influencing networks and developing relationships with international student recruitment groups in key market areas.
- Attendance at appropriate recruitment events in key markets.

Strategic objective 4: Create the opportunities for further student and staff international mobility.

We will achieve this by:

- Development of appropriate internal marketing to highlight opportunities with relevant partners to both staff and students.
- Use of staff and student ambassadors to raise awareness of benefits associated with international exchange.
- Reviewing, adapting and monitoring processes for ERASMUS+ applications and projects.

Board of Management

Subject/Title:	Internal Audit Reports - recommendations		
Meeting and date:	Finance & General Purposes Committee – Thursday 8 June 2017		
Author:	Fiona Ambrose, Secretary to the Board of Management		
Link to Strategic Plan:			
Cost implications:	Yes If yes, please specify: Loss of income		
Risk assessment:	Yes / No (<i>delete as applicable</i>) If yes, please specify: Financial: Operational: Organisational:		
Status – Confidential/Non confidential	Non Confidential		
Freedom of Information Can this paper be included in “open” business	Yes		
If a paper should not be included within “open” business, please highlight below the reason.			
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Its disclosure would constitute a breach of the Data Protection Act (S38)		Other (please give further details)	
For how long must the paper be withheld? (express either as the time which needs to pass or a condition which needs to be met.)			

Recommendation(s)

The Committee is asked to note the recommendations within the two internal audit reports on Procurement and Creditors/Purchasing and IT Network Arrangements

Purpose of report

The terms of reference of the Audit Committee state that the committee shall “review the reports submitted by the College’s Internal Auditors and receive progress reports from

ITEM 13

College Management on the Internal Audit recommendations". The internal audit reports cover a wide range of topics, most of which come under the remit of other committees.

It was agreed that it would be good practice for internal audit reports to be submitted to the appropriate committee so that each committee was aware of the recommendations made and the actions proposed.



Inverness College UHI

Procurement and Creditors / Purchasing



Audit Report No: 2017/06

Draft issued: 15 May 2017

Final issued: 17 May 2017

LEVEL OF ASSURANCE:

Satisfactory



CONTENTS

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Level of Assurance

In addition to the grading of individual recommendations in the action plan, audit findings are assessed and graded on an overall basis to denote the level of assurance that can be taken from the report. Risk and materiality levels are considered in the assessment and grading process as well as the general quality of the procedures in place.

Gradings are defined as follows:

Good	System meets control objectives.
Satisfactory	System meets control objectives with some weaknesses present.
Requires improvement	System has weaknesses that could prevent it achieving control objectives.
Unacceptable	System cannot meet control objectives.

Action Grades

Priority 1	Issue subjecting the College to material risk and which requires to be brought to the attention of management and the Audit Committee.
Priority 2	Issue subjecting the College to significant risk and which should be addressed by management.
Priority 3	Matters subjecting the College to minor risk or which, if addressed, will enhance efficiency and effectiveness.

1. Overall Level of Assurance

Satisfactory

System meets control objectives with some weaknesses present.

2. Risk Assessment

This review focused on the controls in place to mitigate the following risk on the Inverness College UHI ('the College') Risk Register:

- 23 – Non-compliance with relevant statutory regulations (Risk rating: Medium); and
- 25 – Financial failure / operating loss. Inability to achieve a balanced budget (Risk rating: Medium).

3. Background

As part of the Internal Audit programme at the College for 2016/17 we carried out a review of the systems in place for procurement, creditors and purchasing. The Audit Needs Assessment, completed in September 2015, identified this as an area where risk can arise and where Internal Audit can assist in providing assurances to the Board of Management and the Principal that the related control environment is operating effectively, ensuring risk is maintained at an acceptable level.

The College's Financial Regulations cover key areas relating to non-pay expenditure, including procurement, purchase orders, tenders and quotations, receipt of goods and payment of invoices. Supporting the Financial Regulations are a number of other supplementary documents, including a Finance Manual and Procurement Strategy which were referred to and reviewed during the audit.

Procurement legislation in Scotland has been significantly revised in recent years. The Procurement (Scotland) Regulations 2016 give effect to provisions of the Procurement Reform (Scotland) Act 2014, and have been effective from 18 April 2016. These regulations apply to lower value contracts with higher value contracts regulated by the Public Contracts (Scotland) Regulations 2015.

4. Scope, Objectives and Overall Findings

This audit focused on the systems of internal control in place for the ordering of goods and services and the payment of invoices.

We also considered whether the procurement strategy followed and procedures in place support best value purchasing across the College in relation to non-pay spend.

4. Scope, Objectives and Overall Findings (Continued)

Objective	Findings				Actions already planned
	Assurance	1	2	3	
The objective of this audit was to obtain reasonable assurance that:		No. of Agreed Actions			
1. The College's Procurement Policy, Strategy and procurement guidance are comprehensive, kept up-to-date and in line with the Procurement Reform (Scotland) Act 2014 ('the Act') and The Procurement (Scotland) Regulations 2016 ('the Regulations').	Satisfactory	0	0	0	✓
2. Procurement procedures ensure that: <ul style="list-style-type: none"> • areas of high spend across the College are monitored appropriately; • opportunities for pooling of expenditure are identified in order to achieve best value; and • collaborative procurements and frameworks available to the College are utilised where appropriate. 	Satisfactory	0	0	0	✓
3. Purchase orders are completed for relevant purchases and are approved by members of staff with sufficient delegated authority prior to issue to suppliers, with the risk of unauthorised and excessive expenditure being minimised.	Requires Improvement	0	1	1	✓
4. The College's procurement guidance on quotes and tenders, together with the Act and Regulations, are being complied with.	Good	0	0	0	
5. All liabilities are fully and accurately recorded.	Good	0	0	0	
6. All payments are properly authorised, processed and recorded.	Good	0	0	0	
7. Appropriate controls are in place over the amendment of standing supplier data on the finance system.	Good	0	0	0	
Overall Level of Assurance	Satisfactory	0	1	1	System meets control objectives with some weaknesses present.

5. Audit Approach

From discussions with Procurement staff we established what procurement strategies, procedures and monitoring arrangements are in place within the College. These were then evaluated to establish if they follow recognised good practice.

Specifically, we established whether the procurement procedures ensure that areas of high spend across the College are monitored appropriately, identifying opportunities for pooling of expenditure in order to achieve best value, and ensuring that joint purchasing arrangements available to the College are utilised where appropriate.

We also documented controls in place within the purchasing / payments system through interviews with Finance staff and also established whether the expected key controls are in place by reference to standard control risk assessment templates. We also performed compliance testing where considered necessary to determine whether key controls were working effectively, including selecting a sample of items of expenditure from the financial ledger and testing to ensure compliance with the College's Financial Regulations and Procedures.

6. Summary of the Main Findings

Strengths

- We found that the College's draft Procurement Strategy is in line with the guidance produced by the Scottish Government.
- The College makes use of information provided by APUC (Advanced Procurement for Universities and Colleges) to monitor areas of high spend and identify potential opportunities for pooling.
- The College makes regular use of the framework agreements to which it has access. The Procurement and Contracts Co-ordinator is also involved in a Strategic Procurement Team organised by APUC which is used to identify collaborative procurement opportunities.
- From our testing of a sample of 15 invoices we found that these had been accurately entered onto the SUN finance system. Invoices can either be entered manually or can be transferred from the e-procurement system, PECOS, to SUN by journal.
- For a sample of 15 PECOS purchase orders we found that these had been appropriately authorised by staff members within their delegated limit.
- All payments are authorised by the Financial Services Manager or an Accountant. They also sample check the invoices in each payment run to ensure these are genuine.
- All changes to supplier standing data are reviewed by the Financial Services Manager or an Accountant. A member of the Finance team will also check with the supplier to ensure that requests are genuine.

Weaknesses

- The College does not have a comprehensive list of the staff members with delegated purchasing authority and their authorisation limits.
- A significant amount of expenditure is not being processed through PECOS. The Procurement and Contracts Co-Ordinator has been working with College staff to try and address this. Going forward the College will be using a new finance system and this system will require all purchase orders to be processed through its e-procurement function.

6. Summary of the Main Findings (Continued)

Weaknesses (Continued)

- For a sample of 15 non-PECOS purchases tested we found that a purchase order requisition had only been raised in two instances. The instances where purchase order requisitions had not been raised related mainly to recurring supplies such as for utilities, cleaning, recycling, rent, leasing etc. and, from discussion with the Financial Services Manager, we were advised that it would not be expected that an order would be raised in all these instances. Only four instances were highlighted where an order should have been raised, based on annual spend. The current Financial Regulations require an official College purchase order to be placed for the purchase of all goods or services and, other than in emergency circumstances, no exceptions are set out. We recommend that the College should fully document appropriate exceptions where no purchase order is required to be raised and ensure that purchase orders are raised in all other instances.
- The College BACS software only requires a single authorisation for payments. Risk could be reduced by requiring two authorisations for each payment but the Financial Services Manager advised that this is not practical due to staffing levels. A similar point has been raised in previous audits.

7. Acknowledgements

We would like to take this opportunity to thank the staff at the College who helped us during the course of our audit visit.

8. Main Findings and Action Plan

Objective 1: The College's Procurement Policy, Strategy and procurement guidance are comprehensive, kept up-to-date and in line with the Procurement Reform (Scotland) Act 2014 ('the Act') and The Procurement (Scotland) Regulations 2016 ('the Regulations')

The Procurement Reform (Scotland) Act 2014 ('the Act') was enacted on 18 April 2016 and created new public procurement rules aimed at improving public sector purchasing of goods, works and services in Scotland. The Act applies to the Further Education sector. All procurement for services and supplies above £50,000 in value and all works above £2 million have now become 'regulated contracts'. The Act also requires larger spending contracting authorities with significant procurement spend (where the total value of regulated contracts in a year exceed £5 million) to produce a Procurement Strategy before the start of any given financial year, setting out how it intends to carry out its regulated procurements (or to review its Procurement Strategy for the current financial year and make such revisions to it as the authority considers appropriate).

The Scottish Government Guidance under the Act encourages contracting authorities to produce a Procurement Strategy even if its spend is lower than the threshold, to maximise its transparency and allow businesses to understand what policies are important to that authority when delivering procurement contracts. A contracting authority was required to prepare its first Procurement Strategy to cover the remainder of the financial year in which 31 December 2016 occurs and the first financial year starting after 31 December 2016 i.e. 1 January 2017 to 31 July 2018 for the College.

A good Procurement Strategy should include the following:

- strategic procurement objectives;
- clear procurement responsibilities, including responsibility for sustainable procurement; and
- an implementation plan for each strategic objective, setting out the key outcomes, actions and key performance indicators to measure these.

Although the College does not expect to reach the £5 million threshold of regulated procurements in the 2016/17 financial year a draft Procurement Strategy 2017 – 2020 has been prepared and this was presented to the Finance and General Purposes Committee in March 2017, with amendments identified prior to finalisation. These had not been made at the time of our audit fieldwork. We compared the draft Strategy with Scottish Government guidance and found it to be in line with the guidance. The College sets out within the Strategy that it intends to comply with the new legislative requirements, including sustainable procurement and community benefit requirements. We did note that the draft Strategy refers to a Procurement Policy while the College does not currently have a Procurement Policy and management advised that it was not the intention to create one. This reference it to be amended for the final version. Although we have noted that UHI, and other colleges where we have carried out similar audits, have both a Procurement Strategy and a Procurement Policy in place we have accepted management's view that the content of the College's Procurement Strategy and other procurement guidance is sufficient and that there is little added value in having a separate policy document.

Objective 1: The College's Procurement Policy, Strategy and procurement guidance are comprehensive, kept up-to-date and in line with the Procurement Reform (Scotland) Act 2014 ('the Act') and The Procurement (Scotland) Regulations 2016 ('the Regulations') (continued)

There is further procurement guidance available to staff on the College network. A Step by Step Procurement guide provides an overview of the College procurement process for staff to reference. This states that for all procurement carried out over £10,000 the budget holder should contact the Contracts and Procurement Co-Ordinator who will provide support. Above that threshold, the Contracts and Procurement Co-Ordinator will be able to ensure that all procurement exercises including regulated procurements are compliant with legislation. Procurement Bulletins are issued regularly by the Contracts and Procurement Co-Ordinator highlighting key issues. The Contracts and Procurement Continuous Improvements Action Register lists updating of the Procurement Manual as one of the actions for the year which should further improve clarity for staff members.

The College's Financial Regulations and Finance Manual also cover procurement. It was noted that there were some differences between the current Financial Regulations and the Step by Step Procurement guide, including in relation to thresholds applying for different procurement routes. A new draft of the Financial Regulations is due to be finalised shortly. This has been updated to include thresholds in line with the Step by Step Procurement guide. Similarly, the College Finance Manual will be updated once the new Financial Regulations have been finalised as this also uses the College's previous thresholds.

To reinforce the importance of the procurement guidance the College is also offering procurement training to staff. Procurement sessions were held at recent staff development days and a procurement e-learning module is to be introduced shortly. Topics covered so far have included the new procurement legislation and its provisions. Going forward the Contracts and Procurement Co-ordinator is looking to include procurement training to relevant staff as part of the induction process. This action is included in the Contracts and Procurement Continuous Improvements Action Register.

Objective 2: Procurement procedures ensure that:

- **areas of high spend across the College are monitored appropriately;**
- **opportunities for pooling of expenditure are identified in order to achieve best value; and**
- **collaborative procurements and frameworks available to the College are utilised where appropriate**

Data is sent by the College Accountants to APUC (Advanced Procurement for Universities and Colleges). This information is analysed by APUC and returned to the College in the form of a report on its spend over the past four years. This information is regularly monitored by the Contracts and Procurement Co-ordinator and informs decisions regarding pooling of expenditure and use of collaborative procurement opportunities and frameworks.

The importance of pooling expenditure is underlined to staff to ensure that departments do not separately procure a commodity that may be used throughout the College. Potential issues should be identified through the monitoring of areas of high spend noted above. Through educating staff and monitoring of high spend areas the Contracts and Procurement Co-Ordinator hopes to improve the pooling of expenditure throughout the College.

The Contracts and Procurement Co-Ordinator is part of a Strategic Procurement Team for the University of the Highlands and Islands (UHI) which includes staff from APUC and UHI partners. The team meets regularly to discuss procurement issues at UHI partners which may identify potential collaborative procurement opportunities. As APUC receives spend information from all partner colleges it can evaluate this and provide information to facilitate these discussions. The draft Procurement Strategy states that the College plans to maximise collaborative opportunities with UHI, the wider education sector and the public sector.

The College makes regular use of national frameworks such as those available through APUC. The Contracts and Procurement Co-Ordinator is looking to set up some local frameworks where it is considered that these will result in better value. From our sample testing we noted a number of instances where frameworks had been used. Both the draft Procurement Strategy and the Step by Step Procurement guide refer to the use of framework agreements where possible however these have limited details on the practical application of this. The Operational Procurement Review carried out by APUC noted that some staff had been unsure of how to use certain frameworks and as a result training had been carried out to address this.

Objective 3: Purchase orders are completed for relevant purchases and are approved by members of staff with sufficient delegated authority prior to issue to suppliers, with the risk of unauthorised and excessive expenditure being minimised

The College has two purchase order systems at present. PECOS, the e-procurement system, is the preferred route or alternatively paper purchase order requisitions can be passed to Finance. Where no purchase order is raised the related purchase invoice should be signed-off by a staff member with appropriate delegated authority.

The College's current Financial Regulations state that, where possible, orders must be placed using the PECOS system. Official College purchase orders must be placed for the purchase of all goods or services. In exceptional circumstances, emergency orders may be given orally, but must be confirmed by an official purchase order endorsed 'confirmation order only' not later than the following working day. Similar guidance is provided in the Finance Manual.

We selected a sample of 15 purchase orders processed through PECOS to ensure that these had an appropriate authorisation trail, including authorisation by a staff member within their delegated limit. No issues were noted from this testing.

It was noted that a significant amount of expenditure still does not go through the PECOS system. The Procurement and Contracts Co-Ordinator has been working with staff to try and ensure that more expenditure is processed through PECOS. Going forward the College will be using a new finance system. This system will require all purchase orders to be processed through its e-procurement function. This will be used as an opportunity to clarify to all staff their obligations relating to advanced authorisation of expenditure.

Objective 3: Purchase orders are completed for relevant purchases and are approved by members of staff with sufficient delegated authority prior to issue to suppliers, with the risk of unauthorised and excessive expenditure being minimised (continued)

Observation	Risk	Recommendation	Management Response	
<p>We selected a sample of 15 non-PECOS invoices to ensure that these matched an appropriately authorised purchase order requisition or, where no purchase order had been raised, that the invoice had been signed as authorised. We found that a purchase order requisition had only been raised in two instances although, in all other instances, the invoices had been authorised by an appropriate signatory within their authorisation limits.</p> <p>The instances where purchase order requisitions had not been raised related mainly to recurring supplies such as for utilities, cleaning, recycling, rent, leasing etc. and, from discussion with the Financial Services Manager, we were advised that it would not be expected that an order would be raised in all these instances. Only four instances were highlighted where an order should have been raised, based on annual spend.</p> <p>As noted above, the current Financial Regulations require an official College purchase order to be placed for the purchase of all goods or services and, other than in emergency circumstances, no exceptions are set out.</p>	<p>Unauthorised expenditure may be committed to.</p>	<p>R1 Fully describe in the Financial Regulations and / or other College documents appropriate exceptions where no purchase order is required to be raised. Ensure that purchase orders are raised in all other instances, including, where appropriate, annual orders for recurring spend.</p>	<p>Agreed. We will amend the Financial Regulations to reference exceptions but the detailed list will be contained within the Finance Manual to enable updating as and when required.</p> <p>To be actioned by: Accountant</p> <p>No Later Than: July 2017</p>	
			<p>Grade</p>	<p>2</p>

Objective 3: Purchase orders are completed for relevant purchases and are approved by members of staff with sufficient delegated authority prior to issue to suppliers, with the risk of unauthorised and excessive expenditure being minimised (continued)

Observation	Risk	Recommendation	Management Response	
<p>The College does not maintain a complete list of staff with purchasing authority and their authorisation limits. We used a provisional list of authorisation limits prepared for the new finance system to test the purchase order and invoice authorisations for reasonableness. No issues were noted with our sample however greater assurance would be gained if a full list of staff with delegated purchasing authority was maintained.</p>	<p>Lack of clarity over the authorisation limits for staff members may result in invoices or purchase orders being inappropriately authorised.</p>	<p>R2 The College should maintain a full list of staff with delegated purchasing authority and their authorised limits to ensure that all purchase orders or invoices are appropriately authorised.</p>	<p>Agreed. The Team Leader will arrange for an updated list to be prepared and maintained.</p> <p>To be actioned by: Business Services Team Leader</p> <p>No Later Than: July 2017</p>	
			<p>Grade</p>	<p>3</p>

Objective 4: The College’s procurement guidance on quotes and tenders, together with the Act and Regulations, are being complied with

The College’s procurement thresholds are set out in the table below:

Procurement Thresholds		
Procurement Route 1	Under £999	Two quotations – Evidence to be retained by budget holder and also attached internally to the requisition and system purchase order.
Procurement Route 2	£1,000 - £9,999	Three written quotations – Evidence to be retained by budget holder and also attached internally to the requisition and system purchase order.
Procurement Route 3	£10,000 - £49,999	Competitive quotation (use of Public Contracts Scotland (PCS) - Quick Quote System mandatory).
Procurement Route 4	Over £50,000 but below EU threshold	Competitive tender (use of PCS-Tender mandatory).
EU Threshold Tender (Services / Supplies)	Over £164,176	Full formal tendering process and advertise the contract in the Official Journal of the European Union, as well as on PCS. The Board of Management must provide approval.
EU Threshold Tender (Works)	Over £4,104,394	

Source: Financial Regulations

We tested a sample of 15 purchases selected from the financial ledger. We enquired as to the procurement route followed for each and found that in each instance these had been carried out appropriately in line with the College’s procurement guidance on quotes and tenders, the Act and Regulations. For 10 of the 15 purchases a framework supplier had been used.

Objective 5: All liabilities are fully and accurately recorded

Invoices from the PECOS system are transferred through an import journal into the SUN finance system. These are only transferred once they have been fully matched to an authorised purchase order.

For non-PECOS purchases, invoices are manually input into the finance system. All invoices entered are checked by a second member of staff.

We tested a sample of 15 purchases selected from the ledger and reviewed a copy of the original invoice. We found that all had been appropriately entered into the finance system with no issues noted.

Objective 6: All payments are properly authorised, processed and recorded

Payment files are generated from SUN and the payments are processed using BACS software. The BACS software only requires a single authorisation for each payment giving rise to a potential risk of misappropriation. Due to staffing levels, the College does not believe that it is practical to operate with two required authorisations as this may cause undue delay to payments. Payment files are prepared by Finance staff and processed by either the Financial Services Manager or one of the Accountants who sample check the payment file to invoice to ensure that all expenditure is genuine.

We tested a sample of 10 payment runs to ensure that each had been signed-off by appropriate staff members and that there was evidence of sample checking of invoices within the payment run to supporting documentation. We noted one instance where there was no evidence of sample checking but we are satisfied that this is an exception.

Objective 7: Appropriate controls are in place over the amendment of standing supplier data on the finance system

Any request for changes to supplier standing data are verified by a member of Finance staff calling a known contact at the supplier to ensure that these are genuine. Periodically the Financial Services Manager or an Accountant review a report from the system showing all changes to standing data to ensure that these are genuine.

We checked a sample of 10 reports to ensure that they showed evidence of review and this testing proved satisfactory. We tried to trace one change from each report to supporting documentation but noted that only two of the 10 had supporting evidence on file. From discussion with the Financial Services Manager we are satisfied that senior staff verify all changes to supporting documentation, such as invoices from the supplier, although in some cases this documentation may not then be placed on file.

Inverness College UHI

IT Network Arrangements

Internal Audit Report No: 2017/05

Draft Issued: 29 March 2017

Final Issued: 12 April 2017

LEVEL OF ASSURANCE

Good

Contents

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Level of Assurance

In addition to the grading of individual recommendations in the action plan, audit findings are assessed and graded on an overall basis to denote the level of assurance that can be taken from the report. Risk and materiality levels are considered in the assessment and grading process as well as the general quality of the procedures in place.

Gradings are defined as follows:

Good	System meets control objectives.
Satisfactory	System meets control objectives with some weaknesses present.
Requires improvement	System has weaknesses that could prevent it achieving control objectives.
Unacceptable	System cannot meet control objectives.

Action Grades

Priority 1	Issue subjecting the College to material risk and which requires to be brought to the attention of management and the Audit Committee.
Priority 2	Issue subjecting the College to significant risk and which should be addressed by management.
Priority 3	Matters subjecting the College to minor risk or which, if addressed, will enhance efficiency and effectiveness.

1. Overall Level of Assurance

Good	System meets control objectives.
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2. Risk Assessment

This review focused on the controls in place to mitigate the following risks on Inverness College UHI's ('the College') Risk Register:

- People fail to adapt to and make the most effective use of the new campus's physical resources (risk rating: low)

3. Background

As part of the Internal Audit programme at the College for 2016/17 we carried out a review of the College's IT network security, and access to the College's systems and data. Our Audit Needs Assessment, completed in September 2015, identified this as an area where risk can arise and where internal audit can assist in providing assurances to the Board of Management and the Principal that the related control environment is operating effectively, ensuring risk is maintained at an acceptable level.

Responsibility for ensuring an efficient and effective Information and Communications Technology (ICT) service delivery to all staff and students within the College lies with ICT Services. This includes first level support over some of the main application systems used in the provision and maintenance of user access to the network. ICT Services is also responsible for purchasing and maintaining the servers upon which the applications are housed, the personal computers (PCs) and mobile devices used by staff and students and the network which connects them.

The wider UHI IT network is maintained by the UHI IT Services team which forms part of Learning and Information Services (LIS) at UHI Executive Office. Connections between the College and UHI network to external networks are managed by LIS, including ensuring that robust security controls are in place to protect the UHI network from external threats. LIS is responsible for providing services such as the SITS student records system to Academic Partners and for ensuring that the databases are protected.

The UK National Cyber Security Centre (NCSC), the UK Government's national technical authority on cyber security, 10 Steps to Cyber Security guidance sets out what a common cyber-attack looks like and how attackers typically undertake them. Understanding the cyber environment and adopting an approach aligned with the 10 Steps is an effective means to help protect the College from attacks. The NCSC recommends organisations adopt an information risk management approach together with a further nine associated security areas described in Appendix I, in order to protect against the majority of cyber-attacks.

4. Scope, Objectives and Overall Findings

ICT security is an important element of ensuring that business applications are available for use and that sensitive information cannot be accessed by unauthorised users. This audit reviewed the controls in place to ensure that ICT security is adequate.

The table below notes each separate objective for this review and records the results:

Objective	Findings				Action already planned
	1	2	3	No. of Agreed Actions	
The objective of our audit was to obtain reasonable assurance that adequate systems are in place covering:					
1. Physical controls over access to network servers.	Good	0	0	0	✓
2. Compliance with an acceptable usage policy, including mobile technology and the use of social media.	Good	0	0	0	✓
3. Logical access controls, including: <ul style="list-style-type: none"> ◆ checks to ensure user access and user functionality is appropriate; ◆ passwords; and ◆ procedures for setting up and revoking users. 	Good	0	0	0	✓
4. Adequate review of change control (upgrades, patches) and emergency access.	Good	0	0	0	
5. Review of system administrator actions.	Good	0	0	0	
6. Monitoring of attempted unauthorised access.	Good	0	0	0	
7. Identifying unlicensed software.	Good	0	0	0	
8. Remote user security procedures.	Good	0	0	0	
Overall Level of Assurance	Good	0	0	0	
		System meets control objectives			

5. Audit Approach

From discussion with the College's ICT Services Manager and the Head of IT Services at UHI LIS, and review of documentation, we identified the systems and internal controls currently in place in relation to security of the IT network and access to College data and compared these with expected controls. A walkthrough of key systems was then undertaken to confirm our understanding and this was followed-up with compliance testing, where considered necessary.

6. Summary of Main Findings

Overall, the College ICT team has a high awareness of the risks around IT network security. This is reflected in the control environment currently operating within the College, which demonstrates good practice in most areas.

Strengths

- Access to server and communication rooms is adequately controlled and appropriate environmental controls are in place to protect equipment;
- Hardware and software inventories have been created;
- Vulnerability scans of the UHI network are conducted regularly by UHI IT Services with relevant issues reported to Academic Partners, and both the College and UHI IT teams constantly monitor the health and activity on the IT network;
- Processes are in place for applying updates and patches to all devices connected to the College network;
- The IT architecture protects the College network through the use of firewalls and prevents direct connections to untrusted external services and protects internal IP addresses;
- Penetration testing of the external boundaries is conducted annually by Janet (Joint Academic Network) for UHI and any findings are acted upon by UHI IT Services to address any security weaknesses identified;
- Management of user accounts is linked to the College's Human Resources led starter, leaver and change of role procedures;
- The ICT Services Manager approves the use of all administrator accounts and also conducts periodic reviews of administrator accounts and actions;
- All mobile devices, such as smartphones and laptops that are issued to staff, are encrypted by ICT Services;
- Appropriate segregation and access controls are in place governing staff, student and guest access to the College network, databases and services;
- Network hardware is protected by an antivirus solution, which is updated daily and automatically scans for malware;
- All ICT equipment and removable media is scanned for malware when connected to the College network or networked equipment;
- Software is deployed across the network which monitors, amongst other things, the number of approved user licences and renewal dates;
- All upgrades, patches, hardware and software configurations that affect the UHI network, and therefore the Academic Partner's local area network, are approved by the UHI Change Control Board;

6. Summary of Main Findings (Continued)

Strengths (Continued)

- The College uses a Citrix solution which allows staff remote access to College data and applications via a virtual desktop environment without accessing the Active Directory database directly, thereby reducing the risk of compromise of data security; and
- A College-wide Information Security Project is currently being conducted which is reviewing security practices across the College, including ICT, Data Protection and records management.

Weaknesses

- No significant weaknesses were identified during our review. We noted that the ICT Services Manager has raised concerns over the access which facilities management company staff currently have to a server room, which jointly houses both College and UHI ICT equipment, in order to undertake routine maintenance. At the time of our audit, UHI IT Services had agreed to install CCTV within the server room on the Inverness campus, which is scheduled to be in place by the summer of 2017.

7. Acknowledgements

We would like to take this opportunity to thank the College's ICT staff who helped us during the course of our audit.

8. Findings and Action Plan

Objective 1: Physical controls over access to network servers.

During our review we undertook an inspection of the College's main ICT server and communications rooms to ensure that critical ICT hardware is adequately protected from both physical and environmental risks. We did not identify any significant dangers to the ICT hardware.

Controls to restrict entry were robust at all server rooms visited. Controls in place included swipe card entry systems; locks; and motion sensor alarms within the server rooms, with all locations situated within areas restricted to staff only. Logs of access to server rooms are kept and these are regularly reviewed by the ICT Services Manager to ensure that access is authorised and appropriate.

Several communications cabinets, essential for processing and transmitting data, were noted to be placed at various locations across the College. We are satisfied that the College has taken all reasonable security measures to ensure that these are protected from unauthorised access.

A server room is located on the Inverness campus site, which jointly houses both College and UHI ICT equipment. Although access to this room is controlled through the use of swipe cards, which are issued by the College's ICT team, we noted that the facilities management company has been issued with swipe cards and its staff are able to access the room if required to conduct routine building maintenance. During our audit we were not able to verify how the cards are being utilised by the facilities management company, such as whether cards are allocated to specific staff or are held for general use. We understand that the ICT Services Manager has raised concerns over uncontrolled access with the facilities management company previously. At the time of our audit, UHI IT Services had agreed to install CCTV within the server room on the Inverness campus which is expected to be in place by the summer of 2017.

Objective 2: Compliance with an acceptable usage policy, including for mobile technology and the use of social media.

The College has adopted the UHI Partnership Information Security Acceptable Use Policy (AUP), which was approved and issued in February 2017. Staff have access to the AUP via the College's staff portal, which can be accessed on the College website. There is no specific requirement for staff to acknowledge or accept the terms of the AUP, by way of on-screen pop-up for example, however staff have been made aware of the policy and all staff are required to comply with all of the College's policies and procedures under the terms of their employment.

At the time of our review the AUP had still to be issued to students, however we understand that this will be made available to them in the coming months.

The ICT Services Manager is currently leading on the College-wide Information Security Project which is reviewing current security practices across the College, covering ICT, Data Protection and records management. As part of this project ICT Services is currently developing a mobile working policy which will be based on UHI's policy for mobile devices. It is expected that a full review of ICT policies will be completed by July 2017.

All mobile devices issued by the College, such as smartphones and laptops, are encrypted by ICT Services before being issued. Staff are encouraged to use encrypted USBs however this is not yet enforced by policy. ICT Services is currently examining the use of centralising controls which would block unencrypted USBs from being recognised when connected to the College ICT equipment. However, this would require desktops to be re-imaged which will next be undertaken during the summer of 2017. The UHI Partnership Information Security Acceptable Use Policy, which has been adopted by the College, does not require the use of encrypted USBs however we understand that such a requirement is being considered for incorporation within the College's ICT related policies.

Separate social media guidelines have been issued to staff and students and social engineering is specifically included within the online information security training module which is available to staff.

Objective 3: Logical access controls, including:

- ◆ checks to ensure user access and user functionality is appropriate;
- ◆ passwords; and
- ◆ procedures for setting up and revoking users.

The College has procedures and controls in place which ensure that when an employee leaves or changes their employment, their access rights to ICT services are immediately reviewed and appropriate action is promptly taken. This process is driven by Human Resources (HR), who notify ICT Services of any changes by raising an ICT Service Desk request for action. The College has in recent years performed a review of user accounts to ensure that user functionality is appropriate. ICT staff assign new users to student or staff group profiles with permissions based on systems access requirements or job role. Our review confirmed that appropriate segregation and access controls are in place governing staff, student and guest access to the College network, databases and services including the SITS student records system.

Notifications of employee leaving dates are provided by HR to ICT Services who ensure that accounts are automatically disabled from that date. Account logins for non-permanent staff are enabled for a maximum of 30 days, or less if contract length is shorter. Access is then renewed at the end of the 30 days if the contract is longer. Permanent staff user accounts that have been inactive for a period of 30 days are not currently disabled automatically, in order to allow staff who are absent from work due to annual leave, sickness or training, to retain access to College services. There is no annual review conducted of user accounts to ensure that active accounts are still required based on HR records. However, the ICT Services Manager has identified this as an action to be implemented in academic year 2017/18 and we understand that this will be incorporated into the ICT operational plan for 2017/18 which will be finalised later in the year.

To ensure a consistent approach is adopted across the UHI IT network, all Academic Partners (including the College) have adopted the UHI suite of ICT policies and procedures. This includes adopting the UHI password policy, which is enforced across the Academic Partners through Active Directory. This is a database that keeps track of all user accounts and passwords in the College, and allows the College to store user accounts and passwords in one protected location, thereby improving security.

ICT Services has not established set procedures and standards for configuring the system audit log facilities. Instead ICT Services has adopted a holistic approach whereby the general health of the network is monitored on a continual basis with audit logs reviewed on an ad hoc basis. The risk of security breaches is mitigated through a range of controls, including: username and password controls; group and user profiling, which restricts access to critical files; anti-virus software; and reliance on network perimeter security such as firewalls.

Objective 4: Adequate review of change control (upgrades, patches) and emergency access.

All upgrades, patches, hardware and software configurations which affect the UHI network, and therefore the Academic Partners local area network, are approved by the UHI Change Control Board. Where applicable, upgrades and patches are applied weekly. Any changes approved by the UHI Change Control Board affecting the Academic Partners' systems are notified to each partner in advance.

The College and UHI network is based around Microsoft windows systems and associated servers. For Microsoft applications, all patches and updates for windows and Active Directory are pre-tested by Microsoft to ensure that no bugs are present before being made available for download to Microsoft enabled devices. Patches and updates are then downloaded directly to the network servers. UHI IT Services staff also review notifications of all other systems updates and patches which are applied across the network once they have been reviewed and tested.

Procedures are in place to ensure that all network connected devices are regularly updated with the latest anti-virus and security updates. There are a number of devices, such as laptops used by students in classrooms, which are not regularly used and therefore these devices are at risk of not having the latest ant-virus and security protection. However, ICT Services ensure that such devices are updated during the College winter and summer breaks. Additionally, anti-virus is configured to automatically scan all devices at point of connection to the College network. Anti-virus software is applied by UHI IT Services across the UHI network and is updated daily.

Where external contractors are required to undertake systems maintenance, separate user accounts are created by ICT Services, which ensures that access to services and data is restricted. Contractor accounts are disabled when no longer required.

Objective 5: Review of system administrator actions.

Senior members of ICT Services, who are responsible for the maintenance and configuration of the College ICT infrastructure, have been allocated administrator privileges. The ICT Services Manager approves the use of all administrator accounts and also conducts periodic reviews of administrator accounts and actions. Full audit trails of ICT Services staff actions are available through the Systems Centre Configuration Manager (SCCM) software and other log files. A group administrator account is shared amongst ICT Services staff for responding to Service Desk queries however the system is set up to ensure that accountability can be fully traced to individual staff and actions are again monitored by the ICT Services Manager.

Objective 6: Monitoring of attempted unauthorised access.

Logs are maintained and reviewed of all external access attempts made to the UHI network.

Scanning software is active across the UHI local area network which scans activity passing through all open IP addresses and ports, both between UHI and each Academic Partner and through the external boundary firewalls. Reports are run every week and reviewed by UHI IT Services. In addition, penetration testing of external boundaries is conducted periodically by Janet, which is a high-speed network for the UK research and education community. Random internal scanning of networked devices is also performed by UHI IT Services. Where vulnerabilities are identified an IT service desk ticket is raised at UHI and depending on where the vulnerability is located the issue is dealt with by either UHI or passed to the ICT team at the appropriate Academic Partner affected. Both the College ICT Services and UHI IT Services teams constantly monitor the health and activity on the College sub-network and UHI wide network.

Objective 7: Identifying unlicensed software.

The ICT Services Manager is responsible for purchasing or renewing software licences. Systems Centre Configuration Manager (SCCM) software deployed across the network monitors, amongst other things, the number of approved user licences and renewal dates. SCCM automatically detects the number of users using the software at any one time and would alert ICT staff when limits are reached. Microsoft licensing for servers means that any users exceeding the licensing agreement are simply denied access to the service. Software providers also remind the College of its need to renew licences which prompts the renewal of existing licences and ensures that the College has valid licenses in place.

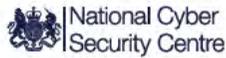
SCCM performs checks on individual computers and servers to identify any unauthorised software, however the design of the College IT infrastructure and network is such that software can only be installed on the College's network or equipment centrally by ICT staff with Administrator access rights.

We were advised that there have been no recorded incidents of staff installing unauthorised software on the College's IT equipment or any breaches in software user licences in recent years.

The College has adopted the UHI Partnership Information Security Acceptable Use Policy which prohibits the installation of software, other than that which is specifically licensed for use in connection with the College's business. Normally, no external software will be used on the College's systems in order to prevent the possible introduction of malware and viruses. If it is necessary to introduce other software, ICT Services must agree its use. The College does not permit the use of unlicensed software.

Objective 8: Remote user security procedures.

The College uses a Citrix solution, which allows staff remote access to College data and applications via a virtual desktop environment without accessing the Active Directory database directly, thereby reducing the risk of compromising data security. Only devices that have been approved by ICT Services, and have XenApp software installed, can access the virtual desktop environment. Citrix is controlled by UHI IT Services.



10 Steps to Cyber Security

Defining and communicating your Board's Information Risk Regime is central to your organisation's overall cyber security strategy. The National Cyber Security Centre recommends you review this regime – together with the nine associated security areas described below, in order to protect your business against the majority of cyber attacks.



For more information go to www.ncsc.gov.uk @ncsc

Board of Management

Subject/Title:	Debt Write Off Report		
Meeting and date:	Finance & General Purposes Committee – Thursday 8 June 2017		
Author:	Fiona Mustarde, Financial Services Manager		
Link to Strategic Plan:			
Cost implications:	Yes If yes, please specify: Loss of income		
Risk assessment:	Yes / No (<i>delete as applicable</i>) If yes, please specify: Financial: Operational: Organisational:		
Status – Confidential/Non confidential	Non Confidential		
Freedom of Information Can this paper be included in “open” business	Yes		
If a paper should not be included within “open” business, please highlight below the reason.			
Its disclosure would substantially prejudice a programme of research (S27)		Its disclosure would substantially prejudice the effective conduct of public affairs (S30)	
Its disclosure would substantially prejudice the commercial interests of any person or organisation (S33)		Its disclosure would constitute a breach of confidence actionable in court (S36)	
Its disclosure would constitute a breach of the Data Protection Act (S38)		Other (please give further details)	
For how long must the paper be withheld? (express either as the time which needs to pass or a condition which needs to be met.)			

Recommendation(s)

The Committee is asked to note the debts written off under the delegated authority of the Principal.

Purpose of report

To provide the information to the Finance & General Purposes Committee of the debtors listed in appendix 1 which have been written off. All the debts have been through both the College debt collection processes and the debt collection agents, where appropriate, and are now deemed to be irrecoverable. A provision is in place within the accounts to cover these write-offs.

Background

The procedure on the writing-off of debtors, agreed by the Audit Committee and highlighted by external audit as an action point in the 2005/06 action plan, states that the debtors to be written off should first be agreed by the Senior Management Team (SMT) and then passed to the Finance & General Purposes Committee for noting.

Debts to be written off

As part of the regular review of the debtors ledger, this is the latest report highlighting debts which, having gone through both the College's recovery procedures and the College's debt recovery agents Scott & Co (where appropriate), have been identified as not being recoverable.

The debtors are listed in appendix 1 of this report, amounting to £10,701.03 and they mainly relate to tuition fees, reclaim of overpaid bursary and fees for unreturned books, which are now uncollectible.

Where the debt relates to a student, the student's record within SITS (the student records system) has a financial clearance flag placed on it. This prevents the student from completing the online enrolment process and requires intervention from College staff. Depending on the value and nature of the debt involved, the College may agree an instalment plan or require the student to clear the debt in full before allowing enrolment to be completed. This process is replicated across the UHI partnership and is effective in ensuring that students cannot access services at other institutions within the partnership that they are unable to pay for.

The debtors for this and future reports have been fully provided for from the bad debt provision included in the 2015/16 accounts.

It should be noted that approval for the write-off of debtors is only required from Finance & General Purposes Committee for amounts over £3,000 (the amount was previously £7,500 but this was decreased from 1 April 2014 due to the college now being within the public sector). Individual amounts under £3,000 can be written-off by the Principal under delegated authority.

PROPOSED WRITE OFFS MAY 2017

INVOICE DATE	INVOICE NO	AGE OF		BALANCE	TYPE OF DEBT	COLLEGE STATUS	FURTHER INFORMATION
		DEBT -	DAYS				
01/11/2016	349053	206	£	10.00	books	Not financially viable to send to debt collector	
29/07/2016	348716	301	£	15.99	books	Not financially viable to send to debt collector	
25/05/2016	348497	366	£	25.00	books	Not financially viable to send to debt collector	
25/05/2016	348500	366	£	55.99	books	Not financially viable to send to debt collector	
15/06/2016	348573	345	£	60.98	books	Not financially viable to send to debt collector	
25/05/2016	348499	366	£	65.98	books	Not financially viable to send to debt collector	
25/08/2016	348750	274	£	81.98	books	Not financially viable to send to debt collector	
25/05/2016	348486	366	£	60.66	bursary	Not financially viable to send to debt collector	
16/05/2016	348449	375	£	63.91	bursary	Not financially viable to send to debt collector	
25/05/2016	348489	366	£	74.79	bursary	Not financially viable to send to debt collector	
25/05/2016	348493	366	£	89.99	bursary	Not financially viable to send to debt collector	
15/06/2016	348564	345	£	94.52	bursary	Not financially viable to send to debt collector	
16/05/2016	348432	375	£	94.52	bursary	Not financially viable to send to debt collector	
16/05/2016	348454	375	£	94.52	bursary	Not financially viable to send to debt collector	
16/05/2016	348437	375	£	94.52	bursary	Not financially viable to send to debt collector	
29/01/2015	346666	848	£	147.92	bursary	Collection Activity Exhausted	
05/06/2015	347016	721	£	61.20	hospitality	Business in liquidation	
08/12/2015	347651	535	£	47.00	nursery	Not financially viable to send to debt collector	
19/01/2016	024972-001	493	£	1.00	tuition fees	Not financially viable to send to debt collector	remaining balance
14/11/2016	022941-001	193	£	1.00	tuition fees	Not financially viable to send to debt collector	remaining balance
14/11/2016	05009325-005	193	£	1.00	tuition fees	Not financially viable to send to debt collector	remaining balance
14/11/2016	16020172-001	193	£	1.00	tuition fees	Not financially viable to send to debt collector	remaining balance
26/09/2016	15024807-001	242	£	1.06	tuition fees	Not financially viable to send to debt collector	remaining balance
09/03/2016	031070-005	443	£	2.00	tuition fees	Not financially viable to send to debt collector	remaining balance
10/12/2015	05012812-005	533	£	2.00	tuition fees	Not financially viable to send to debt collector	remaining balance
13/02/2015	10006865-001	833	£	2.00	tuition fees	Not financially viable to send to debt collector	remaining balance
18/03/2016	022339-004	434	£	2.00	tuition fees	Not financially viable to send to debt collector	remaining balance
14/11/2016	06006299-001	193	£	2.00	tuition fees	Not financially viable to send to debt collector	remaining balance
14/11/2016	08006526-004	193	£	2.00	tuition fees	Not financially viable to send to debt collector	remaining balance
14/11/2016	09001885-004	193	£	2.00	tuition fees	Not financially viable to send to debt collector	remaining balance
11/01/2016	09006870-001	501	£	2.00	tuition fees	Not financially viable to send to debt collector	remaining balance
04/12/2015	14021410-001	539	£	2.00	tuition fees	Not financially viable to send to debt collector	remaining balance
14/11/2016	15009193-005	193	£	2.00	tuition fees	Not financially viable to send to debt collector	remaining balance
10/11/2015	15009351-001	563	£	2.00	tuition fees	Not financially viable to send to debt collector	remaining balance
14/11/2016	15010416-004	193	£	2.00	tuition fees	Not financially viable to send to debt collector	remaining balance
14/11/2016	16004412-001	193	£	2.00	tuition fees	Not financially viable to send to debt collector	remaining balance
17/11/2016	16009391-002	190	£	3.00	tuition fees	Not financially viable to send to debt collector	remaining balance
04/11/2016	13009503-005	203	£	5.00	tuition fees	Not financially viable to send to debt collector	remaining balance
04/11/2016	14014055-005	203	£	5.00	tuition fees	Not financially viable to send to debt collector	remaining balance
04/11/2016	15004255-002	203	£	5.00	tuition fees	Not financially viable to send to debt collector	remaining balance
04/11/2016	15014390-002	203	£	5.00	tuition fees	Not financially viable to send to debt collector	remaining balance
08/11/2016	16006488-001	199	£	7.00	tuition fees	Not financially viable to send to debt collector	remaining balance
24/02/2014	13013354-003	1187	£	40.00	tuition fees	Student not funded by SAAS	
20/04/2016	11008159-003	401	£	78.50	tuition fees	Not financially viable to send to debt collector	remaining balance
06/05/2016	13011868-006	385	£	86.00	tuition fees	Not financially viable to send to debt collector	remaining balance
18/01/2016	08001125-002	494	£	215.00	tuition fees	Collection Activity Exhausted	
18/01/2016	090055-002	494	£	215.00	tuition fees	Collection Activity Exhausted	
21/10/2014	14010683-001	948	£	242.00	tuition fees	Collection Activity Exhausted	remaining balance
22/07/2015	0407616-008	674	£	428.00	tuition fees	Student not funded by ILA/SAAS	Change from ILA500 to SAAS
10/06/2015	IN01178055	716	£	430.00	tuition fees	Student not funded by ILA/SAAS	Change from ILA500 to SAAS
09/10/2013	12013951-008	1325	£	430.00	tuition fees	Student not funded by ILA/SAAS	Change from ILA500 to SAAS
06/05/2014	10012540-001	1116	£	430.00	tuition fees	Student not funded by ILA/SAAS	Change from ILA500 to SAAS
15/05/2014	06013502-008	1107	£	500.00	tuition fees	Collection Activity Exhausted	
05/06/2014	12012729-004	1086	£	500.00	tuition fees	Student not funded by ILA/SAAS	Change from ILA500 to SAAS
05/11/2012	006232-001	1663	£	500.00	tuition fees	Student not funded by ILA/SAAS	Change from ILA500 to SAAS
05/11/2012	05007382-001	1663	£	500.00	tuition fees	Student not funded by ILA/SAAS	Change from ILA500 to SAAS
05/11/2012	09000900-002	1663	£	500.00	tuition fees	Student not funded by ILA/SAAS	Change from ILA500 to SAAS
05/11/2012	12005665-002	1663	£	500.00	tuition fees	Student not funded by ILA/SAAS	Change from ILA500 to SAAS
06/06/2014	10008040-001	1085	£	643.00	tuition fees	Student not funded by ILA/SAAS	Change from ILA500 to SAAS
22/07/2015	08003476-002	674	£	645.00	tuition fees	Student not funded by ILA/SAAS	Change from ILA500 to SAAS
09/10/2013	12009640-001	1325	£	645.00	tuition fees	Student not funded by ILA/SAAS	Change from ILA500 to SAAS
21/04/2016	348278	400	£	1,873.00	tuition fees	Collection Activity Exhausted, business in liquidation	
TOTAL				£ 10,701.03			

TYPE OF DEBT	TOTAL VALUE	% OF DEBT
TUITION FEES	£9,461.56	88.42%
BURSARY	£815.35	7.62%
BOOKS	£315.92	2.95%
NURSERY	£47.00	0.44%
EQUIPMENT	£0.00	0.00%
OTHER	£61.20	0.57%
TOTAL	£10,701.03	100%