

Board of Management

Meeting	Finance and General Purposes Committee
Date and time	Thursday 6 December 2018 at 9.00 a.m.
Location	Boardroom, 1 Inverness Campus

College Secretary
30 November 2018

AGENDA

Welcome and Apologies

Declarations of Interest

ITEMS FOR DECISION

1. **MINUTES**
Minutes of Meeting of the Finance and General Purposes Committee held on 27 September 2018
2. **OUTSTANDING ACTIONS**
Action List
3. **FINANCIAL REGULATIONS – ANNUAL REVIEW**
Covering report by Accountant
4. **POLICIES**
 - a. **Further Education Fee Waiver**
 - b. **Student Support Funds**
 Covering reports by Director of Finance
5. **PROCUREMENT STRATEGY – REVIEW OF PROGRESS**
Report by APUC Supply Chain Manager and Contracts and Procurement Coordinator

ITEMS FOR DISCUSSION

6. **BUSINESS DEVELOPMENT UPDATE**
Report by Director of Business Development
7. **NATIONAL BARGAINING (CONFIDENTIAL)**
Report by Director of Organisational Development
8. **FINANCE BUDGET MONITORING REPORT - OCTOBER 2018**
Report by Director of Finance

9. **CAPITAL BUDGET MONITORING REPORT - OCTOBER 2018**
Report by Director of Finance
 10. **FINANCE SYSTEM STATUS UPDATE (CONFIDENTIAL)**
Report by Director of Finance
 11. **COMMITTEE EVALUATION – IMPLEMENTATION PLAN**
Report by Board Secretary
 12. **RESEARCH CENTRES FINANCE ANNUAL REPORT 2017-18**
Report by Finance Manager
 13. **ESTATES AND ICT REPORTING**
Report by Director of Organisational Development
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ITEMS FOR NOTING

14. **GOVERNANCE – NPD CONTRACT (CONFIDENTIAL)**
Report by Director of Organisational Development
15. **CAMPUS SERVICES REPORT**
Report by Estates and Campus Services Manager
16. **ICT SERVICES REPORT (CONFIDENTIAL)**
Report by ICT Services Manager
17. **DEBT WRITE-OFF REPORT – OCTOBER 2018**
Report by Director of Finance
18. **AOCB**
19. **DATE OF NEXT MEETING**
Thursday 7 March 2019 at 9.00 a.m.

If any member wishes to add an item of business to the Agenda, please inform the Chair and the Board Secretary as soon as possible. Additional items of business will **only** be considered for inclusion in the agenda in advance of the start of the meeting.

MINUTES of the MEETING of the FINANCE AND GENERAL PURPOSES COMMITTEE held in the Board Room, 1 Inverness Campus on Thursday 27 September 2018.

PRESENT: Andy Gray, Helen Miller, Chris O’Neil, Gavin Ross, Tom Speirs
CHAIR: Gavin Ross
APOLOGIES: Brian Henderson, Carron McDiarmid
ATTENDING: Director of Finance
Director of Organisational Development
Secretary to the Board of Management

1. MINUTES

The Minutes of the Meeting of the Finance and General Purposes Committee held on 7 June 2018 were **ACCEPTED** as a correct record, were **APPROVED** and signed by the Chair.

2. OUTSTANDING ACTIONS

The Committee **AGREED** which actions had been completed and could be removed and those which were still outstanding and would remain on the list.

Sign Language costs

The Director of Organisational Development advised that a steering group had been formed by the College with representation from the Highland Council and other public bodies. The College also planned to introduce BSL evening classes for staff and to take forward a number of other initiatives.

3. FINANCE STRATEGY

A report by the Director of Finance introduced the Finance Strategy for the period 2018/19 – 2022/23 which had been prepared taking into account other College strategies, an appreciation of the financial risks to the institution, and an understanding of opportunities and areas for development. The suggested key performance indicators flowed from KPIs commonly used. Some of these were used by SFC when assessing financial performance.

The Committee discussed at length the six strategic objectives and clarification was provided on a number of questions which were raised. With regard to the KPIs it was suggested that benchmarking of KPIs was important rather than having specific targets. It was acknowledged that it would be helpful to provide a commentary with the KPI data so that it was put into context. It was **AGREED** that the Chair of the Board be asked to request the UHI Court to seek benchmarking data from SFC.

The Committee **AGREED** to **RECOMMEND** the finance strategy to the Board of Management for approval subject to Strategic objective 6 being

strengthened to include a role out of the process and monitoring, as well as the training and cultural approach cited.

4. SFC FINANCIAL FORECAST RETURN (FFR) 2018

A report by the Director of Finance referred to the annual requirement for colleges to complete a Financial Forecast Return (FFR) by the SFC. This formed part of the SFC's financial health monitoring framework. The FFR provided financial projections over a six year period, the current academic year (as at June) and the following five years. The 2018 FFR spanned the period to July 2023. In line with SFC guidance, the draft FFR 2018 had to be signed by the Principal and submitted to SFC by 28 September.

The biggest financial challenge facing not just IC UHI but the sector as a whole was the impact of National Pay Bargaining.

It was generally acknowledged that there had to be a complete review of the UHI funding model as any changes to funding for some colleges could have a disproportionate impact on other colleges.

Following discussion on staff costs, it was **AGREED** that the Director of Finance would make provision for staff absence in the 2019 return.

The Committee **AGREED** to **RECOMMEND** the SFC FFR 2018 to the Board of Management for approval subject to a reference to Brexit being included in the "other issues" section.

5. FINANCE TEAM – RESOURCE AND CAPABILITY

A report by the Director of Finance outlined the current resourcing of the finance function and the position regarding the long awaited replacement finance system. The Finance Manager had undertaken a review of resource required to maintain service levels, build resilience and provide stability within the team and a number of positions would be made permanent. This, combined with a process review currently underway should alleviate some of the current pressures. Whilst this should enhance the level of support provided to managers, it was unlikely that this would fully address the need for further appropriately skilled financial expertise to support managers in meeting the challenges faced. A full review was to be carried out by bringing in external resource to identify opportunities and requirements.

The Committee **NOTED** the position.

6. FINANCE MONITORING REPORT JULY 2018

A report by the Director of Finance set out the results of the finance monitoring for the 12 months to end July 2018. Although there was a positive variance of £67K, it was against a significant deficit.

The Committee discussed the main areas of overspend, namely staff costs, supplies and services variances and debt. The Director of Finance confirmed that management were actively working with managers and raising awareness of procurement. The debt figure related to an in month increase as a large number of invoices had been sent out towards the end of the year.

There was also discussion on the low occupancy rates of the student residences which were of serious concern. The current criteria regarding occupancy meant that the college had to place apprentices in private rented accommodation rather than in the residences.

The Committee **NOTED** the report and welcomed the assurance by the Director of Finance that she planned to change the reporting format so that the Board could more easily identify the underlying position.

7. CAPITAL MONITORING REPORT 2018/19

A report by the Director of Finance provided an update on the capital monitoring report for 2018/19 and advised on the approach to ensure that the funds were fully utilised by March 2019.

The Committee **NOTED** the report.

Tom Speirs and Andy Gray left the meeting during discussion of the following item.

8. STRATEGIES – REVIEW OF PROGRESS

Progress reports had been prepared by the Director of Organisational Development on the estates and ICT strategies and by the Director of Business Development on the marketing and communications and business development strategies.

The Committee **WELCOMED** the progress which was being made across all these strategies.

9. NATIONAL BARGAINING

The Director of Organisational Development gave a very brief update on the national bargaining position. A full report would be submitted to the Board of Management at its meeting on 11th October.

10. COMMITTEE EVALUATION

A report by the Board Secretary advised that all members had completed the committee self evaluation process. A number of points of clarification had been made and a number of actions identified.

The actions outlined in the report were agreed and the Board Secretary was **ASKED** to draw up an implementation plan for the next meeting.

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

11. DEBT WRITE OFF REPORT

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

12. UPDATE ON ACCOUNTS & EXTERNAL AUDIT PROCESS 2017/18

A report by Director of Finance provided an update on the final accounts and external audit process and timescale for 2017/18.

13. DATE OF NEXT MEETING

Thursday 6 December 2018 at 9.00 a.m.

Signed by the Chair: _____

Date: _____

Outstanding Actions from Finance and General Purposes Committee

7 December 2017				
Item	Action	Responsibility	Time Line	Actioned
Finance Monitoring Report	Enhanced report in future to inform the committee of the impact of government resource budgets	Director of Finance	March 2019	
	Further develop budget phasing	Director of Finance	Ongoing	
Debt Write off	A more proactive approach would be taken to debt recovery and on understanding the reasons for the level of debt, especially Nursery fees.	Director of Finance	March 2019	
	Further detail be provided so that patterns of debt and trends could be identified	Director of Finance	March 2019	
27 September 2018				
Item	Action	Responsibility	Time Line	Actioned
SFC FFR	Provision for staff absence in the 2019 budget	DoF	May 2019	
Committee Evaluation	Implementation plan to be drawn up	Board Secretary	Dec meeting	

Board of Management

Subject/Title:	Financial Regulations
Author: [Name and Job title]	Eilidh Turner, Accountant
Meeting:	Finance & General Purpose Committee
Meeting Date:	6 th December 2018
Date Paper prepared:	13 November 2018
Brief Summary of the paper:	<p>Background The Financial Regulations were discussed at Scrutiny Panel (28 August 2018) and SMT (19 September 2018) where they were approved for progression to the F&GP Committee.</p> <p>Main body of Information The Financial Regulations is the main policy document, which sets out how the College operates from a financial perspective. These regulations should be reviewed on a regular basis to ensure that the Regulations remain appropriate and fit for purpose, and align with requirements from the Scottish Government and the Scottish Funding Council.</p> <p>The Financial Regulations have been updated to more accurately reflect operational requirements such as payment processes, and provide clearer guidance in procurement around single source supplier procurement.</p>
Action requested: [Approval, recommendation, discussion, noting]	The F&GP Committee is asked to agree the updated Financial Regulations and recommend them to the Board of Management for approval.
Link to Strategy: Please highlight how the paper links to, or assists with::	
<ul style="list-style-type: none"> • compliance • partnership services • risk management • strategic plan • new opportunity/change 	
Resource implications:	Yes / No If yes, please specify:
Risk implications:	Yes / No

	If yes, please specify: Operational: Organisational:		
Equality and Diversity implications:	Yes/No If yes, please specify:		
Consultation: [staff, students, UHI & Partners, External] and provide detail			
Status – [Confidential/Non confidential]	Non-confidential		
Freedom of Information Can this paper be included in “open” business* [Yes/No]	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.)			

Further guidance on application of the exclusions from Freedom of Information legislation is available via

<http://www.itspublicknowledge.info/ScottishPublicAuthorities/ScottishPublicAuthorities.asp> and

http://www.itspublicknowledge.info/web/FILES/Public_Interest_Test.pdf



FINANCIAL REGULATIONS
REFERENCE: PL/CS/2018/005

Policy Owner	Director of Finance
Lead Officer	Finance Manager
Review Officer	Accountant
Date first approved by BoM	10 December 2007
First Review Date	22 June 2009
Date review approved by BoM	26 October 2017
Next Review Date	June 2018
Equality impact assessment	12 September 2012
Further information (where relevant)	

Reviewer	Date	Review Action/Impact
Finance Officer	22/09/2009	Review approved by BoM
Finance Officer	07/10/2010	Review approved by F&GP Committee
Finance Officer	23/11/2012	Review approved by Audit Committee
Accountant	26/10/2017	Review approved by BoM

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DRAFT

INTRODUCTION AND BACKGROUND

1 General Provisions

- 1.1. The Further and Higher Education (Scotland) Act 1992, ('the Act') created a framework for Further Education Colleges offering both full-time and part-time education to act as free corporate bodies, with powers to employ staff and to own land and buildings. From 1 April 1993, they were funded directly from Government, through the Scottish Funding Council (SFC), and taken out of local authority/ education authority controls. In October 2010, the UK Office for National Statistics (ONS) took the decision to reclassify further education colleges throughout the UK as public bodies, with the result that they are now treated as part of central government for budgeting, reporting, and accounting purposes.
- 1.2. The Financial Memorandum with Fundable Bodies in the College Sector sets out the formal relationship between the SFC and college sector fundable bodies and the requirements with which funded bodies must comply as a term and condition of SFC grant. This memorandum was issued by the Scottish Further Education Funding Council effective from 1 December 2014. The current Financial Memorandum for Inverness College UHI is between UHI (the Regional Strategic Body) and Inverness College UHI and came into effect on 1 January 2016 (Appendix A). The Board of Management is responsible for ensuring that the conditions of grants are met. As part of that process, the College must ensure that it has sound systems of internal financial and management controls. The Financial Regulations of the College form part of this overall system of accountability and control.
- 1.3. The Financial Regulations should be read in conjunction with publications and guidelines from the following resources:
 - Statement of Recommended Practice
 - Audit Scotland
 - Accounting Standards
 - Scottish Parliament Audit Committee
 - HE College Administrative Schemes
 - Scottish Funding Council (SFC)
 - Scottish Public Finance Manual
 - Finance Manual – Inverness College
 - Inverness College UHI Board of Management Articles of Governance
 - HM Treasury Financial Reporting Manual

2 Status of Financial Regulations

- 2.1. This document sets out the College's Financial Regulations. It translates into practical guidance, the College's broad policies relating to financial control.

- 2.2. These Financial Regulations are subordinate to Inverness College's instruments and articles of governance and to any restrictions contained within Inverness College's Financial Memorandum.
- 2.3. The purpose of these Financial Regulations is to provide control over the totality of the College's resources and provide management with assurances that the resources are being properly applied for the achievement of the College's Strategic Plan and business objectives, these include:
- Financial viability
 - Achieving value for money
 - Fulfilling its responsibility for the provision of effective financial controls over the use of public funds
 - Ensuring that the College complies with all relevant legislation
 - Safeguarding the assets of the College
- 2.4. Compliance with these Financial Regulations is compulsory for all staff connected with the College. Any staff member who fails to comply with the financial regulations may be subject to disciplinary action under the College's Disciplinary policy. It is the responsibility of managers to ensure that staff are made aware of the existence and content of these Financial Regulations.
- 2.5. The Finance and General Purposes Committee is responsible for overseeing, reviewing and approving the Financial Regulations, through the Director of Finance.
- 2.6. In exceptional circumstances, the Principal may authorise a departure from the detailed provision herein, such departure to be reported to the Finance and General Purposes Committee at its earliest opportunity.
- 2.7. Inverness College's detailed Financial Procedures set out how these regulations will be implemented and are contained in the Finance Manual.

CORPORATE GOVERNANCE

3 Responsibility of the Principal and Chief Executive

- 3.1. The College Principal is responsible for the detailed administration of the College and will act as the Chief Executive and the Board's Chief Educational advisor.
- 3.2. The Principal is responsible for satisfying that the Board of Management meets the requirements of the Financial Memorandum as a condition of receiving grant funding. In particular, UHI requires that the College complies with the principles of good governance set out in the Code of Good Governance for Scotland's Colleges, ensuring that:

- Public funds are used in accordance with relevant legislation, the requirements of the Financial Memorandum and only for the purpose(s) for which they were given. Strategic, capital or other grant funding must only be used for the purpose for which it is provided by the Regional Strategic Body
 - Subject to any legal requirement to observe confidentiality, the College will be open and transparent with the Regional Strategic Body and other stakeholders, and will give, or be prepared to give, a public justification of its decisions in relation to the use of public funds
 - The College strives to achieve value-for-money and is economical, efficient and effective in its use of public funding
 - There is effective planning and delivery of the College's activities in accordance with its mission and its commitments to the Regional Outcome Agreement agreed with SFC
 - The College plans and manages its activities to remain sustainable and financially viable. An institution is being managed on a sustainable basis if, year on year, it generates sufficient income to cover its costs and allow for maintenance of and investment in its infrastructure (physical, human and intellectual) at a level which enables it to maintain adaptive capacity necessary to meet future demands
 - The College has a sound system of internal management and control, including an audit committee, an effective internal audit service, and adequate procedures to prevent fraud or bribery
 - The College has an effective policy of risk management and risk management arrangements
 - The College has regular, timely, accurate and adequate information to monitor performance and account for the use of public funds. Such information will be made available to the Regional Strategic Body on request, as necessary, for the exercise of its functions and to gain assurance
 - The College is engaged actively in continuously enhancing the quality of its activities and involves students and other stakeholders in these processes• The Regional Strategic Body Internal Audit Service has rights of access to all the College's premises, staff, records information and assets which it considers necessary to fulfil its role and responsibilities. Access will be arranged by prior agreement where possible
 - As well as being accountable directly to the governing body of the College for the proper conduct of the College's affairs, the Chief Executive Officer of the College is also accountable directly to the Regional Strategic Body's Chief Officer for the College's proper use of funds deriving from the Regional Strategic Body and its compliance with the requirements of this FM.
- 3.3. The Principal and Chief Executive shall demonstrate his or her oversight of financial matters by signing the balance sheet within the annual financial statements.
- 3.4. The Principal and Chief Executive is directly responsible to the Board of Management for the control of resources, for seeking economy, efficiency and effectiveness in the use of the College's resources and for ensuring that financial considerations are taken into account at all stages of decision-making.
- 3.5. In particular, the Principal and Chief Executive shall:

- Sign the accounts and ensure satisfactory and adequate records are retained in a form acceptable for presentation to the Scottish Parliament.
- Advise the Board of Management on the proper discharge of its financial duties.
- Be authorised to write off losses, up to a level as specified in the Scheme of Delegation contained in the Articles of Governance, and to instruct special payments.
- Be involved with the SFC Chief Executive on matters relating to public funding which arise before the Public Accounts Committee / Scottish Parliament.
- ~~To Vire monies from expenditure between budget~~ heads when necessary within agreed overall budgets, taking account of and complying with these Regulations.

4 Responsibility of the Director of Finance

4.1. The Director of Finance is responsible for the day-to-day financial administration of the College and to the Principal and Chief Executive for:

- Preparing annual capital and revenue budgets and financial plans.
- Preparing accounts, management information, monitoring and control of income and expenditure against budgets and all financial operations.
- Preparing the College's annual accounts and other financial statements and accounts.
- Ensuring that the College maintains satisfactory financial systems.
- Provision of advice on financial policy and liaising with internal and external auditors to achieve efficient processes.
- Ensuring that the College adheres to the specific delegated financial limits and annual reporting requirements set out in Appendix G.

5 Responsibility of Budget Holders

5.1. Every budget holder shall ensure that at all times they comply fully with the College's Financial Regulations and Financial Procedures, and endeavour to secure value for money on all expenditure budgets for which they are responsible. They are fully responsible for working within their budgetary limits.

5.2. Budget holders must provide the Director of Finance on request information to assist with:

- Financial planning
- Compilation of College Financial statements
- Implementation of audit, financial, project and value for money reviews and recommendations

6 Staff Responsibility

- 6.1. All staff members should be aware and have responsibility for the security of the College's property, for avoiding loss and for due economy in the use of resources. They should ensure that they are aware of the College's financial authority limits, and College procurement guidance (see Procurement Toolkit).
- 6.2. Staff shall make available any relevant information to the Finance Department in connection with the implementation of the College's Financial Procedures, these Financial Regulations and the system of internal financial control.
- 6.3. Staff shall provide the Director of Finance with such financial and other information as he or she may deem necessary, from time to time, to carry out the requirements of the Board of Management.
- 6.4. All staff must immediately notify the Director of Finance whenever any matter arises which involves, or is thought to involve, irregularities concerning cash, property or matters owned by the College.

7 Risk Management

- 7.1. Risk is the threat that an action or event will adversely affect the College's ability to achieve its objectives. Risk management seeks to control the potential loss or damage to which the College is exposed.
- 7.2. The College acknowledges the risks inherent in its business, and is committed to managing those risks that may cause a threat whether this is financially or objectively. Guidance on the level of risk considered to be acceptable and unacceptable by the College is set out in the Risk policy statement. Also contained within this policy are the requirements to have a Risk Register, Risk Mitigation Plan for the College and a Business Contingency Plan. The College has a Business Continuity policy statement.
- 7.3. The Board of Management has overall responsibility for ensuring there are appropriate risk management arrangements.
- 7.4. The Audit Committee monitors risk on behalf of the Board of Management and reports annually to the Board of Management.

8 Public Interest Disclosure (Whistle-blowing)

- 8.1. The College has a Public Interest Disclosure Policy, which complies with the Public Interest Disclosure Act 1998.

9 Code of Conduct

- 9.1. The College is committed to the highest standards of openness, integrity and accountability. It seeks to conduct its affairs in a responsible manner, having regard to the principles established by the Committee on Standards in Public Life (formerly known as the Nolan Committee), which members of staff at all levels are expected to observe.
- 9.2. The College has a Code of Conduct for Board members and a Staff Code of Conduct.
- 9.3. The College holds registers of interests for the Board of Management and the Senior Management team, maintained by the College Secretary.

10 Receiving gifts or hospitality

- 10.1. It is an offence under the Prevention of Corruption Act 1906, [the Bribery Act and the Staff Code of Conduct](#) to accept ~~corruptly~~ any gift or consideration as an inducement or reward for doing, or refraining from doing, anything in an official capacity or showing favour or disfavour to any person in an official capacity. The guiding principles to be followed by all members of staff must be:
 - The conduct of individuals should not create suspicion of any conflict between their official duty and their private interest.
 - The action of individuals acting in an official capacity should not give the impression (to any member of the public, to any organisation with whom they deal or to their colleagues) that they have been (or may have been) influenced by a benefit to show favour or disfavour to any person or organisation. Staff members should seek guidance from the Director of Finance when there is an offer of gifts or hospitality. For the protection of staff, the College Secretary will maintain a register of gifts and hospitality received where the value is in excess of £20.00. [All relevant details should be passed on via the Gifts and Hospitality Form.](#)
 - Gifts or hospitality received must be reasonable and proportionate to the nature of the relationship and must be accepted for the primary purpose of better presenting the College or establishing cordial relationships with business partners.
 - At all times staff must follow guidelines as contained within the staff Code of Conduct.

11 Financial Planning

- 11.1. The Director of Finance is delegated responsibility by the Principal and Chief Executive for preparing annual financial plans for approval by the Board of Management, on recommendation from the Finance and General Purposes Committee, and for preparing financial forecasts for submission to the funding body. Financial plans should be consistent with the strategic plans and Estates strategy approved by the Board of Management.

12 Resource Allocation

- 12.1. Resources are allocated annually by the College's Senior Management Team and recommended to the Board of Management through the Finance and General Purposes Committee, on the basis of the above objectives. College managers are responsible for the economic, effective and efficient use of resources allocated to them.

13 Budget Preparation

- 13.1. The Director of Finance is responsible for preparing an annual revenue budget and capital programme for consideration by the Finance and General Purposes Committee before submission to the Board of Management for approval.
- 13.2. The budget should include monthly cash flow forecasts for the year. The Director of Finance must ensure that detailed budgets are prepared in order to support the resource allocation process and that these are communicated to College managers following approval by the Board of Management.
- 13.3. Throughout the year, the Director of Finance is responsible for submitting revised budgets to the Finance and General Purposes Committee and the Board of Management.

14 Capital Expenditure Programme

- 14.1. The capital programme includes all expenditure on land, buildings, equipment, furniture and associated costs, whether or not they are funded from capital grants, to be capitalised for inclusion in the College's financial statements. The College's capital programme is approved by the Finance and General Purposes Committee.
- 14.2. The Director of Finance will establish procedures for the inclusion of capital projects in the capital programme for approval by the Finance and General Purposes Committee. These will set out the information that is required for each proposed project as well as the financial criteria that they are required to meet. These are shown at Appendix C.
- 14.3. The Director of Finance will also establish procedures for the approval of significant variations to approved projects, to the Principal and Chief Executive, the Finance and General Purposes Committee, and if appropriate, to the funding body.
- 14.4. The Director of Finance will provide regular statements concerning capital expenditure to the Finance and General Purposes Committee for monitoring purposes.

- 14.5. Following completion of any capital project, a final report should be submitted to the Finance and General Purposes Committees including actual expenditure against budget and reconciling funding arrangements where a variance has occurred as well as other issues affecting completion of the project. Where applicable, a post-project evaluation report may also need to be sent to the relevant funding body.

15 Overseas Activity

- 15.1. If planning and undertaking overseas activity, the College must have due regard to the relevant guidelines issued by the funding body.

16 Other Major Developments

- 16.1. Any new major aspect of business, or proposed establishment of a company or joint venture, which will require an investment in buildings, resources or staff time should be presented for approval to the Finance and General Purposes Committee. The information that is required for each proposed development as well as the financial criteria that they are required to meet are summarised at Appendix D.

17 Financial Control

- 17.1. The control of income and expenditure within an agreed budget is the responsibility of the designated Budget Holder, ~~(normally a Head of Department)~~, who must ensure that day-to-day monitoring is undertaken effectively. Budget Holders are responsible for managing their budgets such that income targets are achieved and expenditure limits are not exceeded. Subject to the approval of the Senior Management Team, and conditional on other budgets being satisfactorily controlled, expenditure may include a proportion of additional income generated during the year.
- 17.2. Significant departures from agreed budgetary targets must be reported immediately to the Director of Finance by the Budget Holder concerned and, if necessary, corrective action taken.
- 17.3. The College's specific delegated financial limits are set out in Appendix G. The institution must obtain SFC's prior written approval, through the Regional Strategic Body, before entering into any undertaking to incur any expenditure that falls out with these delegations.
- 17.4. Prior SFC approval, through the Regional Strategic Body, must always be obtained before incurring expenditure for any purpose that is, or might be considered, novel, contentious or repercussive or which has or could have significant future cost implications. Novel is interpreted as involving proposed expenditure or financial arrangements of a sort not undertaken previously or which is not standard practice. Contentious would include proposed expenditure or financial arrangements where there was any doubt as to its

regularity e.g. its compliance with relevant legislation or guidance – or its propriety – e.g. compliance with the standards expected of publicly funded bodies or their officials. Proposed expenditure or financial arrangements that might be considered to be sensitive would also be regarded as contentious.

18 Financial Information

- 18.1. Budget Holders are assisted in their duties by management information provided under arrangements approved by the Director of Finance. The types of management information available to the different levels of management are described in the detailed Financial Procedures, together with the timing at which they can be expected.
- 18.2. The Director of Finance is responsible for supplying budgetary reports on all aspects of the College's finances to the Finance and General Purposes Committee. The report shall outline the income and expenditure of the College for the financial year to date, and be presented to the Board of Management.

19 Changes to the Approved Budget

- 19.1. Changes proposed to the approved College budget must be considered by the Finance and General Purposes Committee and if required the Board of Management.

20 Virement

- 20.1. Where a budget manager is responsible for more than one budget, virement is permitted of up to £3,000 of the budget to which virement is sought, with the approval of the Director of Finance.

ACCOUNTING ARRANGEMENTS

21 Financial Year

- 21.1. Inverness College's financial year will run from 1 August until 31 July the following year.

22 Basis of Accounting

- 22.1. The consolidated financial statements are prepared on the historical cost basis of accounting and in accordance with applicable accounting standards and the funding body's direction.

23 Format of the Financial Statements

- 23.1. The financial statements are prepared in accordance with the Statement of Recommended Practice Accounting for Further and Higher Education, the Accounts Direction issued by the Scottish Funding Council; the Financial Memorandum, the Scottish Public Finance Manual (SPFM) and the Financial Reporting Manual (FRm) where applicable.

24 Annual Reporting Requirements

- 24.1. The college is required to report annually to SFC, through the Regional Strategic Body, on the levels of its expenditure for certain categories of expenditure above specified levels detailed in the Financial Memorandum. A summary of these requirements is detailed in Appendix G.

25 The Public Services Reform (Scotland) Act 2010

- 25.1. After the end of the financial year, the college must publish a statement of any expenditure incurred during that financial year in connection with:

- Public Relations
- Overseas Travel
- Hospitality and entertainment
- External consultancy

- 25.2. A statement must be produced giving specific details of any transactions relating to any of the matters listed above made during the financial year in excess of £25,000.

26 Capitalisation and Depreciation

- 26.1. New land and buildings will be recorded in the balance sheet at actual build or acquisition cost, except where they are received as gifts, where they will be recorded at depreciated replacement value. Buildings will be depreciated in equal instalments over their estimated remaining useful life. Land will not be depreciated.
- 26.2. Expenditure incurred on repairs, refurbishment or extension of existing buildings will be capitalised where it can be demonstrated that the work represents an improvement to the original specification of the building, and the resultant building value would be greater than the current book value.
- 26.3. Expenditure incurred on the acquisition of assets other than land and buildings will be recorded in the balance sheet where the acquisition cost is £5,000 or more. Grouped items (e.g. a suite of computers) with a collective total value of £5,000 or more may also be capitalised. Capitalised assets

other than land and buildings will be depreciated in line with the College's accounting policies.

- 26.4. Where capital assets are funded by SFC or other government grant, a capital grant balance will be established and will be released to income over the useful life of the asset.

27 Accounting Records

- 27.1. The Director of Finance is responsible for the retention of financial documents. Retained records should be kept in a form that is acceptable to the relevant authorities, and complies with the Freedom of Information (Scotland) Act 2002, the Data Protection Act 1998 and the EU General Data Protection Regulation (GDPR).
- 27.2. The College is required by law to retain prime documents for six years (or as detailed within specific funding requirements). These include: official purchase orders, paid invoices, invoices raised, bank statements, receipts and payroll records (including expense claims).
- 27.3. The Director of Finance will make appropriate arrangements for the retention of electronic records.
- 27.4. Staff should ensure that retention arrangements comply with any specific requirements of funding organisations. Additionally, for auditing and other purposes, other financial documents should be retained for three years or as determined by the funder.

28 Public Access

- 28.1. The Board of Management is required to supply any person with a copy of the College's most recent approved financial statements within twenty days of a request. The College will allow members of the public to inspect the statement of accounts during normal working hours. Published accounts will also be posted on the College website. Note that financial statements are only fully approved once they have been laid before Parliament and no publication can take place before this.

29 Taxation

- 29.1. The Director of Finance is responsible for advising managers, in the light of guidance issued by the appropriate bodies and relevant legislation as it applies, on all taxation issues relating to the College.
- 29.2. The Director of Finance shall ensure compliance with statutory requirements including those concerning VAT, PAYE, national insurance,

corporation tax and import duty. This will include provision for maintaining the College's tax records, making all tax payments, receiving tax credits and submitting tax returns by their due date as appropriate.

AUDIT REQUIREMENTS

30 General

- 30.1. External auditors and internal audit staff shall have authority to:
- Access College premises at reasonable times.
 - Access all assets, records, documents and correspondence relating to any financial and other transactions of the College.
 - Require and receive such explanations as are necessary concerning any matter under examination.
 - Require any employee of the College to account for cash, stores or any other College property under his or her control.
 - Access records belonging to third parties, such as contractors, when required.
- 30.2. The Director of Finance is responsible for drawing up a timetable for final accounts purposes and will advise staff and the external auditors accordingly.
- 30.3. The financial statements will be considered by the Finance and General Purposes Committee, and reviewed by the Audit Committee. On the recommendation of these Committees, they will be submitted to the Board of Management for approval, and to the funding body, who will present them to the Scottish Parliament via the external auditors. The financial statements shall be signed by the Principal and Chief Executive and Chairman of the Board of Management.

31 External Audit

- 31.1. Under the terms of the Public Finance and Accountability (Scotland) Act 2000, the Auditor General is responsible for the appointment of the external auditors for the College.
- 31.2. The primary role of external audit is to report on the College's financial statements and to carry out such examination of the statements and underlying records and control systems as are necessary to reach their opinion on the statements and to report on the appropriate use of funds. Their duties will be in accordance with advice from Audit Scotland.

32 Fraud and Corruption

- 32.1. It is the duty of all members of staff, management and the [Board Members Council](#) to notify the Director of Finance immediately whenever any matter arises which involves, or is thought to involve, irregularity, including fraud, corruption or any other impropriety. Please also refer to the Bribery Act (2011). The Director of Finance shall immediately advise the Principal and Chief Executive who will consider the course of action to take. Any frauds that are detected must be reported to SFC, through the Regional Strategic Body, as and when they occur. If the suspected fraud is thought to involve the Director of Finance and/or the Principal, the member of staff shall notify the College Secretary; who in turn will contact the Chair of the Audit Committee directly about the irregularities.

33 Value for Money

- 33.1. It is a requirement of the financial memorandum that the Board of Management of the College is responsible for delivering value for money from public funds. It should keep under review its arrangements for managing all the resources under its control, taking into account guidance on good practice issued from time to time by the funding body, Audit Scotland, the Public Accounts Committee or other relevant bodies. The College has a Value for Money Policy.
- 33.2. To fulfil this responsibility, the Board of Management will annually review spending for evidence of value for money received and will provide evidence of compliance with the funding body's requirements. It will be used to enable the Audit Committee to refer to value for money in its annual report.

34 Other Auditors

The College may, from time to time, be subject to audit or investigation by external bodies such as the funding body, Audit Scotland, European Court of Auditors, HM Revenue and Customs. They have the same rights of access as external and internal auditors.

TREASURY MANAGEMENT

35 Treasury Management

- 35.1. The College has a Treasury Management procedure (contained in the Financial Procedures) setting out the College position on cash management, investments and borrowings. This must comply with the SFC rules regarding approval for any borrowing.

- 35.2. All executive decisions concerning borrowing, investment or financing (within policy parameters) shall be delegated to the Principal and Chief Executive or the Director of Finance who will prepare an appropriate reporting system. All borrowing shall be undertaken in the name of the College and shall conform to any relevant funding body approval and requirements. Any investments of a speculative nature must not be made without the prior written approval of SFC, through the Regional Strategic Body.
- 35.3. The Director of Finance will report to the Finance and General Purposes Committee on the activities of the treasury operation and on the exercise of treasury powers delegated to him/ her.

36 Appointment of Bankers and Other Professional Advisors

- 36.1. The Finance and General Purposes Committee is responsible for the appointment of the College's bankers and other professional financial advisers (such as investment managers). The appointment shall be subject to regular review, the results of which will be reported to the Finance and General Purposes Committee. Colleges are required to subscribe to the Government Banking Service contract from financial year 2017-18.

37 Banking Arrangements

- 37.1. The College Director of Finance is responsible, on behalf of the Finance and General Purposes Committee, for liaising with the College's bankers in relation to the College's bank accounts. All payments shall be ordered on the authority of the Director of Finance, who shall make proper arrangements for their safe custody.
- 37.2. Colleges are required to subscribe to the Government Banking Services (GBS) contract from financial year 17-18 onwards.
- 37.3. Only the Director of Finance or nominated deputy may open or close a bank account for dealing with the College's funds. All bank accounts shall be in the name of the College or one of its subsidiary companies.
- 37.4. Cheque payments up to an agreed amount shall require one signature before release of funds. Cheque payments over £5,000 must be signed by two authorised persons. Details of authorised persons and limits shall be provided for in the College's Financial Manual. Individual payments with a value of less than £5,000 will be verified by an appropriately senior member of staff.
- 37.5. With the exception of inter-account transfers under £100,000, electronic banking payments must have separation between payment initiation and authorisation. One electronic authorisation is required and payments should then be countersigned by either the Finance Manager or the Director of Finance.

37.6. BACs payment runs to suppliers are countersigned by the Director of Finance after transmission. The exception to this is payroll where this is carried out prior to transmission. For details on transmission limits please see the Finance Manual.

37.7. The Director of Finance is responsible for ensuring that all bank accounts are subject to regular reconciliation and that large or unusual items are investigated as appropriate.

INCOME

38 General

38.1. The Director of Finance is responsible for ensuring that the College receives all income to which it is entitled. All receipt forms, invoices or other official documents in use and electronic collection systems must have the prior approval of the Director of Finance. Levels of charges for all College services provided, including contract research, services rendered, goods supplied and rents and lettings will be reviewed regularly and agreed by the Finance and General Purposes Committee at least annually. The Director of Finance is responsible for the prompt collection, security and banking of all income received.

38.2. The Director of Finance is responsible for ensuring that all grants notified by the funding body and other bodies are received and appropriately recorded in the College's accounts.

38.3. The Director of Finance is responsible for ensuring that all claims for funds, including research grants and contracts, are made by the due date.

39 Maximisation of Income

39.1. It is the responsibility of all staff to ensure that revenue to the College is maximised, and for the identification, collection and banking of income.

40 Receipt of Cash, Cheques and Other Negotiable Instruments

40.1. All monies received within departments from whatever source must be recorded by the department on a daily basis together with the form in which they were received, for example cash, cheques and other negotiable instruments. Receipts must be given where money is delivered in person or where specifically requested, using official receipt stationery.

40.2. All monies received must be banked or paid to the cashier promptly, and in accordance with a timetable prescribed by the Director of Finance and set out in the Financial Procedures. The custody and transit of all monies received must comply with the requirements of the College's insurers.

40.3. All sums received must be paid in and accounted for in full, and must not be used to meet miscellaneous expenses or be paid into the petty cash float.

41 Collection of Debts

41.1. The Director of Finance is responsible for ensuring that:

- Debtors invoices are raised promptly on official invoices in respect of all income due to the College.
- Invoices are prepared with care, recorded in the ledger, show the correct amount due and are credited to the appropriate income account.
- Any credits granted are valid, properly authorised and completely recorded.
- VAT is correctly charged where appropriate, and accounted for.
- Monies received are posted to the correct debtors account promptly.
- Swift and effective action is taken in collecting overdue debts, in accordance with the protocols noted in the financial procedures.
- Outstanding debts are monitored and reports prepared for management.

41.2. Only the Principal and Chief Executive or Director of Finance can implement non-standard credit arrangements outside those approved by the Finance and General Purposes Committee. Any subsequent changes to standard credit terms must be submitted to Finance and General Purposes Committee for approval.

41.3. Recovery of debts outside the standard terms of payment may include the right to charge interest on late payments under the terms of the Late Payment of Debts (Interest) Act 1998.

41.4. Requests to write off debts must be approved in accordance with the Financial Procedures. All debts written off must be in accordance with the College Scheme of Delegation (contained in the Governance Manual) and reported to the Finance and General Purposes Committee. Any write-offs greater than £3,000 must be reported to the SFC, through the Regional Strategic Body, on an annual basis (see Appendix G).

42 Student Fees

42.1. The Director of Finance is responsible for ensuring that all student fees due to the College are received. HE Fees are set by UHI and Inverness College adheres to the UHI Fees Policy. Increases in FE student fees must be agreed by the Finance and General Purposes Committee.

42.2. Any student who has not paid an account for fees or any other item owing to the College will not be permitted to complete their course until all outstanding debts have been cleared. Such students shall be prevented from re-enrolling at the College and from using any of the College's facilities unless appropriate arrangements have been made and approval has been given by the Principal.

43 Discretionary Fund and Childcare Payments

- 43.1. The College will comply with the Scottish Funding Council scheme for discretionary fund payments. Under no circumstances should payments be made other than in accordance with this approved scheme.
- 43.2. The Director of Finance is responsible for ensuring the adequacy of the systems in place for:
 - Approving funding awards in accordance with the scheme.
 - Paying awards that have been approved.
 - Recovering repayable loans that have been paid.

GRANTS AND CONTRACTS

44 General

- 44.1. Where approaches are to be made to outside bodies for support for research projects or where contracts are to be undertaken on behalf of such bodies, it is the responsibility of the Budget Holder to ensure that the financial implications have been appraised by the Director of Finance or a nominee. This will include obtaining a set of grant terms and conditions from each organisation providing funding to enable appropriate monitoring of compliance.
- 44.2. The Director of Finance is responsible for ensuring that there is adequate provision of resources to meet all commitments. The Director of Finance should ensure that the full cost of the project or contract is established. The agreement must be in line with the Colleges Financial Procedures with regard to indirect costs and other expenses and taking account of different procedures for the pricing of projects depending on the nature of the funding body.
- 44.3. Grants and contracts must be submitted in the name of the College and authorised prior to submission. Only the Director of Finance or the Principal and Chief Executive may authorise applications on behalf of the College.
- 44.4. The Director of Finance shall ensure that all financial records relating to grants and contracts are maintained in the approved manner and that all claims for reimbursement are initiated by the due date.
- 44.5. Each grant or contract will have a named contact and will be assigned to a specific budget holder.
- 44.6. The budget holder will control pay and non-pay expenditure. The budget holder may delegate day-to-day control to a designated person, but any overspend or under-recovery of overheads is the responsibility of the budget holder with any loss being a charge on departmental funds.

45 Grant and Contract Conditions

- 45.1. Many grant-awarding bodies and contracting organisations stipulate conditions under which their funding is given. In addition, there are often procedures to be followed regarding the submission of interim or final reports or the provision of other relevant information. Failure to respond to these conditions may result in the College suffering a significant financial penalty. It is the responsibility of the named supervisor or grant holder to ensure that conditions of funding are met. Any loss to the College resulting from a failure to meet conditions of funding is the responsibility of the budget holder, and will be charged against departmental funds.

OTHER INCOME GENERATING ACTIVITY

46 Private Consultancies and Other Paid Work

- 46.1. Unless otherwise stated in a staff member's contract, outside consultancies or other paid work may not be accepted without the consent of a member of the Senior Management Team (and in the case of a member of the Senior Management Team, the Principal).
- 46.2. Applications for permission to undertake work must be submitted for the appropriate authorisation and then be sent to the Director of Finance and will include the following information:
- The name of the member(s) of staff concerned.
 - The title of the project and a brief description of the work involved.
 - The proposed start date and duration of the work involved.
 - Full details of any College resources required (for the calculation of the full economic cost).
 - An undertaking that work will not interfere with the teaching and/ or normal College duties of the member(s) of staff concerned.
 - Any intellectual property implications (due regard to section 55 of these Regulations).

~~47 Short Courses and Services Rendered~~

- ~~47.1. In this context, a short course is any course which does not form part of the award bearing teaching load of the department.~~
- ~~47.2. Any staff wishing to run a short course must have the permission of their Budget Holder. The course organiser will be responsible to the Budget Holder for day to day management of the course.~~

~~47.3. The term 'services rendered' includes testing and analysis of materials, components, processes and other laboratory services or the use of existing facilities in order to gain additional information.~~

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4847 Profitability and Recovery of Overhead Costs

~~48.1.47.1.~~ All other income-generating activities must be self-financing or surplus generating unless it is intended that a new course is to be launched as a loss leader. If that is the case, the reason for it must be specified and agreed by the Director of Finance.

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4948 External business and management consultancy contracts

~~49.1.48.1.~~ Any external consultancy contracts with a value of more than £100,000 must be approved in advance by the SFC, through the Regional Strategic Body.

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5049 Deficits

~~50.1.49.1.~~ Any unplanned deficits incurred on other income-generating activities will be charged to departmental funds.

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5150 Retention of income

~~51.1.50.1.~~ The college can retain all commercial income, bequests or donations received. These funds will be in addition to any grant or funding the college receives from the Regional Strategic Body or SFC. There can be no carry forward of any funds.

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51.2.50.2. Donation of surplus funds to arms-length foundations

The College may donate any surplus on its income and expenditure account as at 31 March each year to an arms-length foundation (ALF), subject to approval from the Finance and General Purposes Committee. The donation must take place in the financial year in which it arises, and is subject to sufficient cash and resource cover being available. For the purposes of donations to an arms-length foundation, the financial year is the Scottish Government financial year which is April to March.

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52—Additional Contributions to Departments

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4.1.51.1. Distribution of profits on other income-generating activity between central funds of the College and individual departments will be in accordance with the Financial Procedures.

INTELLECTUAL PROPERTY RIGHTS AND PATENTS

5352 General

2.1.52.1. Certain activities undertaken within Inverness College including research and consultancy may involve the creation of works, designs, databases and inventions which may give rise to copyright, design rights, patents and other proprietary rights, some of which may be patentable or registrable. These are collectively known as intellectual property.

5453 Patents

3.1.53.1. The Principal is responsible for establishing a policy as required to deal with any patents or other intellectual property rights accruing to Inverness College from inventions and discoveries, works, designs and databases made by staff in the course of their work.

5554 Intellectual Property Rights

4.1.54.1. In the event of the College deciding to become involved in the commercial exploitation of inventions and research or other intellectual property rights, the matter should then proceed in accordance with Intellectual Property policy. These would be developed as required following legal advice and be approved by the Finance and General Purposes Committee. The College will adopt the UHI Intellectual Property Policy where applicable.

EXPENDITURE

5655 General

~~5-4-55.1.~~ The Director of Finance is responsible for making payments to suppliers of goods and services to the College.

~~5756~~ Delegation to Budget Holders

~~6-4-56.1.~~ The budget holder is responsible for purchases within their department. Budget holders are required to observe the College's Financial Procedures and adhere to guidelines in the Procurement Toolkit. Purchasing authority may be delegated to named individuals within the department.

~~6-2-56.2.~~ The Director of Finance shall maintain a register of authorised signatories and budget holders must supply them with specimen signatures of those authorised to commit the College to goods or services or to certify documents for payment.

~~6-3-56.3.~~ Central control by the Director of Finance shall be exercised over the creation of requisitioners and authorisers and their respective financial limits within any electronic requisitioning system.

~~6-4-56.4.~~ The Director of Finance must be notified immediately of any changes to the authorities to commit expenditure.

~~6-5-56.5.~~ Budget holders are not authorised to commit the College to expenditure without first ensuring that sufficient funds are available in an approved budget to meet the cost.

~~5857~~ Procurement

~~57.1.~~ Inverness College requires all budget holders, irrespective of the source of funds, to obtain supplies, equipment and services at the lowest possible cost consistent with quality, delivery requirements and sustainability, and in accordance with sound business practice.

~~4.4.~~ Inverness College UHI operates a devolved procurement policy where by low value – low risk goods and services under procurement route 1 and 2 are delegated to the respective stakeholders/budget holders to carry out the procurement exercise. Any high value and high risk procurement activity is to be carried out by College Procurement team in line with the 4 year spend analysis and also Scottish Government Regulations covering regulated procurement tender exercises.

~~4-2-57.2.~~ The Director of Finance is responsible for:

- ~~•~~ Ensuring that procurement is undertaken by appropriately trained and authorised staff and treated as a key component of achieving the institution's objectives consistent with the principles of Best Value, the highest professional standards and any legal requirement.
- Ensuring that all procurement activity is in compliance with:
 - The Procurement Reform (Scotland) Act 2014

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- The Public Contracts (Scotland) Regulations 2015
- The Procurement (Scotland) Regulations 2016
- EU Procurement Directives 2014
- Modern Slavery Act 2015
- Criminal Finances Act 2017
- Data Protection Act 1998,
- General Data Protection Regulation (EU 2016/679) (GDPR)
- Fair Work Practices
- Local Governance (Inverness College Financial Regulations)
 - The drafting and negotiation of all Tender notices undertaken by Inverness College, in collaboration with the budget holder and on legal advice, where required, ensuring that Inverness College complies with relevant regulations on public purchasing policy.
 - Ensuring that Inverness College’s Procurement arrangements are known and observed by all involved in purchasing for Inverness College which is detailed in Appendix F – Procurement Thresholds.
 - Advising on matters of College purchasing and practice
 - Advising and assisting staff where required on specific departmental purchases.
 - Developing appropriate standing supply arrangements on behalf of Inverness College to assist budget holders in meeting their value for money obligations.
 - Ensuring all orders are authorised before they leave Inverness College, no verbal or email instructions to proceed are to be issued to suppliers.
 - By exception, ensuring that any accepted conditions of contract for the purchase of goods do not expose the College to unacceptable risk. The Inverness College Terms and Conditions are to be used unless agreed in advance by the Director of Finance.

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5958 Tender Management (Tenders and Quotations)

4.1.58.1. Budget Holders and delegated budget holders must comply with the Financial Procedures. The procurement thresholds are as follows:

Route 1 < £3000	Devolved Procurement Route	4 year spend to be checked and verified. Local / National Framework Agreements to be checked
<£500	By All Staff	1 quote or catalogue/internet print is required that meets with the Inverness College Value for Money Policy and approved by Budget Holder No Single Source Form required
>£500 <£1000	By Technicians / Delegates	2 quotes or catalogue/internet print is required that meets with the Inverness College Value for Money Policy and approved by Budget Holder <u>By exception and where applicable a Single Source Form should be completed and approved by all concerned. Single Source Form is</u>

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		required for single supplier
>£1000 < £3000	By Budget Holder or Delegate	Evidence of market research is to be provided - includes catalogue, internet print outs and 2 formal written quotes are required that meets with the Inverness College Value for Money Policy. By exception and where applicable a Single Source Form should be completed and approved by all concerned. Single Source Form required for single supplier
Route 2 >£3,000 & <£9,999	Devolved Procurement Route	4 year spend to be checked and verified. Local / National Framework Agreements to be checked
	By Budget Holder or Delegate	3 formal written quotes are required that meets with the IC Value for Money Policy. By exception and where applicable a Single Source Form should be completed and approved by all concerned. Single Source Form is required for single supplier.
Route 3 >£10,000 & <£49,999	Regulated Procurement Route	4 year spend to be checked and verified. Local / National Framework Agreements to be checked
	By College Procurement Team	Competitive tendering on PCS using Quick Quote
Route 4A > £50,000 & Below OJEU	Regulated Procurement Route	4 year spend to be checked and verified. Local / National Framework Agreements to be checked
Below OJEU Threshold	By APUC / College Procurement Team	Competitive quotes on PCS-Tender
Route 4B OJEU Compliance	Regulated Procurement Route	4 year spend to be checked and verified for PCS-T & OJEU compliance. Local / National Framework Agreements to be checked
Supply, Services and Design Contracts >£181,302 (as at 1 January 2018)	By APUC / College Procurement Team	To be in compliance with the Scottish Government Procurement Regulations for the Public Sector and also the Procurement Reform (Scotland) Act 2014 Public Contracts (Scotland) Regulations 2015, Procurement (Scotland) Regulations 2016 and the statutory guidance.
Works Contracts >£4,551,413 (as at 1 January 2018)	By APUC / College Procurement Team	To be in compliance with the Scottish Government Procurement Regulations for the Public Sector and also the Procurement Reform (Scotland) Act 2014 Public Contracts (Scotland) Regulations 2015, Procurement

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	(Scotland) Regulations 2016 and the statutory guidance.
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Notes:

These thresholds will apply to all Enquiries or Contracts processed locally or through the Public Contracts Scotland Portal (PCS) and all purchase orders processed regardless of the system used e.g. PECOS, SUN, Credit Card transactions.

The use of any relevant Local and National Framework Agreements are also to be considered.

As per government regulations, the 4 year cumulative spend has to be reviewed to ensure it does not exceed £50K within a 4 year window - (4 x £12.5K) unless a National Framework Agreement exists.

It is important that the total lifecycle costing and impact mapping is considered.

Working towards cost savings and cost avoidance is paramount with greater focus towards improved efficiencies, contract management and budget/cost management will be monitored.

4.2-58.2 Requisitions **must not be split** into smaller order quantities in order to avoid the correct procurement route.

4.3-58.3 When considering the correct procurement amount to apply, where spend is recurring, this should be calculated over a 4-year period. This has to take into account the whole commodity range and the expenditure across the College (excluding VAT).

4.4-58.4 Exceptions to using Procurement Routes 1, 2, 3 and 4 is where by there is a suitable National Framework Agreement in place or where there is evidence and justification for using only one supplier.

4.5-58.5 Suppliers/contractors **must be made** aware of Inverness College's Terms and Conditions and these must be accepted in full. If there are deviations from these, this must be highlighted and reviewed by the College Procurement Team.

4.6-58.6 For further information on these subjects, please see the Finance Manual and if further advice is required please contact the College Procurement Team.

6059 Contracts

4.1-59.1 The College Procurement Team who will also be involved in the evaluation of bids and formal contracts award must only undertake the issue and receipt of tenders.

4.2-59.2 The achievement of value for money will be an objective in the letting of all contracts. No contract will be awarded for a period beyond which a budget

has been approved unless specifically approved in writing by the Director of Finance.

6160 Purchase Orders

- 4.1.60.1. The ordering of goods and services shall be in accordance with the College's Financial Procedures and Procurement Toolkit. Where possible orders must be placed using the current e-procurement system.
- 4.2.60.2. For any circumstances that we are unable to process purchase orders via the current e-procurement system then a Purchase Order Requisition must be completed in advance and passed to the Finance Department to raise the official College purchase order. Purchase orders must be in place in advance for the purchase of all goods and/or services rendered unless the goods or services are specified in the Finance Manual as excepted items.
- 4.3.60.3. No verbal or email instructions are to be issued to suppliers in advance of requisitions and purchase orders being approved by the respective approvers in our current e-procurement system or our own Financial System.
- 4.4.60.4. The College will not accept responsibility for meeting or reimbursing the cost of goods or services purchased in any other circumstances.
- 4.5.60.5. All purchase order requisitions/orders must be placed using the purchase order template and be approved by a designated budget holder in accordance with the scheme of delegated authority.
- 4.6.60.6. It is the responsibility of the Director of Finance to ensure that all purchase orders refer to the College's terms and conditions of contract.

6261 Receipt of Goods

- 4.1.61.1. All goods and services shall be received at designated receipt and distribution points. They shall be checked for quantity and/or weight and inspected for quality and specification.
- 4.2.61.2. If the goods received are deemed to be unsatisfactory, the supplier should be notified immediately, so that they can be collected for return as soon as possible. Where goods are short on delivery, again the supplier should be notified immediately.
- 4.3.61.3. Where possible, all persons receiving goods on behalf of the College should be independent of those who negotiated prices and terms and placed the official order.

6362 Payment of Invoices

- 4.1.62.1. All payments shall be in a form specified by the Director of Finance.

4.2.62.2. The Director of Finance is responsible for deciding the most appropriate method of payment for categories of invoice. Payments to UK suppliers will normally be made by BACS transfer.

4.3.62.3. Budget Holders are responsible for ensuring that expenditure within their departments does not exceed an approved budget.

4.4.62.4. Suppliers should be instructed by the purchase order to submit invoices for goods or services to the Finance Department. Care must be taken by the delegated budget holder to ensure that discounts receivable are obtained.

4.5.62.5. Payments will only be made by the Finance Department against invoices that have been approved for payment. Payment in advance of the receipt of goods or services shall not be made except with the prior approval of the Director of Finance.

4.6.62.6. Approval of an invoice for payment will ensure that:

- The goods have been received, examined and approved with regard to quality and quantity, or that services rendered or work done is satisfactory.
- Where appropriate, the invoice is matched to the order.
- Invoice details (quantity, price discount) are correct.
- The invoice is arithmetically correct.
- The invoice has not previously been passed for payment.
- Where appropriate, an entry has been made on a stores record or departmental inventory.

63.7. The College shall ensure that all invoices are paid within thirty (30) days. To assist with this all invoices should be approved timeously.

62.7.

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6463 Reporting of Expenditure

63.8.63.1. Appendix G sets out the levels for certain categories of expenditure above which the College should report annually to SFC through the Regional Strategic Body. The report should describe the number of instances and total cost, by category.

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6564 Petty Cash

64.1. Petty Cash may be obtained to pay for small items of equipment (up to £35.00) required urgently. There may also be an allowance to hold petty cash amounts in certain College locations, further detail is contained in the Finance Manual.

6665 Other Payments

- 65.1. Payments for maintenance and other items to students on behalf of sponsoring organisations shall be made on the authority of the Director of Finance, supported by detailed claims approved by the budget holder.
- 65.2. Any other non-trade payments should be requested in a form prescribed by the Director of Finance and be authorised by the appropriate budget holder.

6766 Late Payment Rules

- ~~4.1.66.1.~~ The Late Payment of Debts (Interest) Act 1998 was introduced to give businesses the right to charge interest on late payments from large organisations and public authorities. In view of the penalties in this Act, invoices must be authorised for payment as soon as they are received, unless there is valid reason to withhold approval, and paid within the supplier's terms.

6867 Leasing

- ~~2.1.67.1.~~ Lease agreements for buildings must be approved and signed by the Director of Finance.
- ~~2.2.67.2.~~ Equipment may be acquired under an operating lease or a finance lease. Finance leases must be accounted for in the balance sheet in the normal manner. Operating leases must be signed by the Director of Finance. Details of all lease agreements will be kept within the Finance Office and monitored by the Contracts and Procurement Co-ordinator in relation to expiry and renewals.

PAY EXPENDITURE

6968 Remuneration

- ~~4.1.68.1.~~ All College staff will be appointed in accordance with the appropriate conditions of service. All letters of appointment must be issued by the Human Resources department.
- ~~4.2.68.2.~~ Remuneration and other benefits must fall within budget limits approved by the Board of Management.

7069 Appointment of Staff

~~4.1.69.1.~~ All contracts of service shall be concluded in accordance with the College's human resources practices and procedures and all offers of employment with the College shall be made in writing by the Director of Organisational Development. Budget holders must ensure that the Director of Finance and the Director of Organisational Development are provided promptly with all information they may require in connection with the appointment, resignation or dismissal of employees.

~~7.170~~ Salaries and Wages

~~2.1.70.1.~~ The Director of Finance is responsible for the payment of salaries and wages to all staff including payments for overtime or other additional services rendered. All timesheets and other pay documents, including those relating to fees payable to external examiners, visiting lecturers or researchers, will be in a form prescribed or approved by the Director of Finance.

~~2.2.70.2.~~ The Director of Organisational Development will be responsible for keeping the Director of Finance informed of all matters relating to personnel for payroll purposes. In particular, these include the human resources policies approved for application in the College together with the following in relation to individual staff:

- Appointments, resignations, dismissals, supervisions, secondments and transfers.
- Changes in remuneration including normal increments and pay awards.
- Information necessary to maintain records of service for superannuation, income tax and national insurance.

~~4.1.70.3.~~ The Director of Finance is responsible for payments to non-employees and for informing the appropriate authorities of such payments. All casual and part-time employees will be included on the payroll.

~~4.2.70.4.~~ The Director of Finance shall be responsible for keeping all records relating to payroll including those of a statutory nature.

~~4.3.70.5.~~ All payments must be made in accordance with the College Financial Procedures and comply with HMRC regulations.

~~7.271~~ Superannuation Schemes

~~4.1.71.1.~~ The Board of Management is the employer in relation to appropriate pension arrangements for employees.

~~4.2.71.2.~~ The Director of Finance is responsible for day-to-day superannuation matters, including:

- Paying contributions to various authorised superannuation schemes.
- Preparing the annual return to various superannuation schemes.

4.4.71.3. The Director of Organisational Development is responsible for administering eligibility for pension arrangements and for informing when deductions should begin or cease for staff.

7372 Travel, Subsistence and Other Allowances

2.4.72.1. All claims for payment of subsistence allowances, travelling and incidental expenses shall be completed in a form approved by the Director of Finance and will be in accordance with the Financial Manual.

2.2.72.2. Claims by members of staff must be authorised by the budget holder. The certification by the budget holder shall be taken to mean that:

- Journeys were authorised.
- The expenses were properly and necessarily incurred.
- The allowances are properly payable by the College.
- Consideration has been given to value for money in choosing the mode of transport.

4.4.72.3. Claims for expenses by the Principal and Chief Executive shall be approved by the Chair of the Board of Management, and expenses for the Board of Management shall be approved by the College Secretary.

7473 Giving Gifts and Hospitality

2.4.73.1. Staff entertaining guests from outside bodies should use the College catering facilities where possible, and within budget. Where this is not the case, claims for reimbursement should state clearly that they relate to hospitality and includes the necessary receipts and details required by the Financial Procedures

2.2.73.2. Gifts and hospitality must be reasonable and proportionate, both in frequency and scale, to the nature of the relationship and must not exceed normal business courtesy. They must only be offered or accepted for the primary purpose of better presenting Inverness College UHI or establishing cordial relationships with business partners.

2.3.73.3. The offer of gifts and corporate hospitality should have a demonstrable link to the work of the College and represent good value for money.

2.4.73.4. A corporate gift is a tangible item or service given to another on behalf of an organisation. Common gifts include pens, diaries, calendars and other business stationery, keyrings, souvenirs, books, flowers, bouquets and promotional items.

7574 Overseas Travel

4.4.74.1. All arrangements for overseas travel must be in accordance with the Financial Manual. Any approvals required must be obtained in advance of

committing the college to those arrangements or confirmation of any travel bookings. All overseas travel must be notified to the Financial Manager for insurance purposes.

7675 Expenses for members of the Board of Management

2-4-75.1. Claims for members of the Board of Management will be approved by the College Secretary as budget holder.

7776 Severance and Other Non-Recurring Payments

3-4-76.1. Severance payments shall only be made in accordance with the relevant guidelines and legislation. In particular, the college must follow the requirements of the Scottish Public Finance Manual (SPFM) in determining settlement agreements, severance, early retirement and redundancy arrangements and payments. Any such scheme or payment must be approved by the SFC, through the Regional Strategic Body.

3-2-76.2. The college must have regard to the principles of good practice contained in Audit Scotland's May 2013 report: 'Managing early departures from the Scottish public sector'.

3-3-76.3. All payments must be authorised by the Principal and Chief Executive. Approval of early retirement packages, enhanced pension arrangements or financial packages in excess of statutory provision is reserved by the Board of Management after prior approval by the SFC. Any special severance payment out with a severance scheme approved by SFC in excess of £1,000 must be approved by SFC (see Appendix G).

3-4-76.4. All matters referred to an employment tribunal shall be notified to the Director of Finance at the earliest opportunity in order that budget provision may be made.

ASSETS

7877 Land, Buildings, Fixed Plant and Machinery

4-4-77.1. The purchase, lease or rent of land, buildings or fixed plant can only be undertaken with authority from the Board of Management and with reference to funding body requirements where exchequer-funded assets or exchequer funds are involved.

7978 Fixed Asset Register

2-4-78.1. The Director of Finance is responsible for maintaining the College's register of capital assets. Budget holders will provide the Director of Finance with any information he or she may need to maintain the register.

8079 Property Register

3-1-79.1. The Director of Finance is responsible for maintaining a full register of properties owned or occupied by the College.

3-2-79.2. When transferring equipment between departments, the transfer must be recorded, a copy of the record sent to the Director of Finance and the inventories amended accordingly.

8180 Stocks and Stores

4-1-80.1. Budget holders are responsible for establishing adequate arrangements for the custody and control of stocks and stores within their departments. The systems used for stores accounting in departments must have the approval of the Director of Finance.

4-2-80.2. Budget holders are responsible for ensuring that regular inspections and stock checks are carried out. Stocks and stores of a hazardous nature will be subject to appropriate security checks. Advice should be obtained from the College's Health and Safety Officer.

4-3-80.3. Budget holders whose stocks require valuation in the balance sheet must ensure that appropriate stocktaking procedures are in place and have the approval of the Director of Finance.

8281 Safeguarding Assets

4-1-81.1. Budget holders are responsible for the care, custody and security of the buildings, stock, stores, furniture, cash, etc. under their control. They should contact the senior manager with responsibility for Estates in any case where security is thought to be defective or where it is considered that special security arrangements may be needed.

4-2-81.2. Assets owned by the College shall, so far as is practical, be effectively marked to identify them as College property.

8382 Personal Use

4-1-82.1. Assets owned or leased by the College shall not be subject to personal use except by approval by the Director of Finance.

8483 Asset Disposal

2.1.83.1. Disposal of equipment and furniture, whether by sale or otherwise, requires the prior written authorisation of the Director of Finance and must be in accordance with the Finance Manual.

2.2.83.2. Disposal of land and buildings must only take place with the authorisation of the Board of Management. Funding body consent may also be required if exchequer funds were involved in the acquisition of the asset.

FUNDS ON TRUST

8584 Gifts, Benefactions and Donations

4.1.84.1. The Director of Finance is responsible for maintaining financial records in respect of gifts, benefactions and donations made to the College and initiating claims for recovery of tax where appropriate.

8685 Student Support Funds

2.1.85.1. The Director of Finance will prescribe the format for recording the use of student funds. Records of support funds will be maintained according to funding body requirements.

8786 Trust Funds

3.1.86.1. The Director of Finance is responsible for maintaining a record of the requirements for each trust fund and for advising the Finance and General Purposes Committee on the control and investment of fund balances.

8887 Voluntary Funds

4.1.87.1. The Director of Finance shall be informed of any fund that is not an official fund of the College, which is controlled wholly or in part by a member of staff in relation to their function in the college. The accounts of any such fund shall be audited by an independent person and shall be submitted with a certificate of audit to the appropriate body. The Director of Finance shall be entitled to verify that this has been done.

OTHER

8988 Insurance

5.1.88.1. The Director of Finance is responsible for the College's insurance arrangements, including the provision of advice on the types of cover

available. As part of the overall risk management arrangements, all risks will have been considered and those most effectively dealt with by insurance cover will have been identified. This is likely to include important potential liabilities and should provide sufficient cover to meet any potential risk to all assets. This portfolio of insurances will be reviewed annually.

5.2.88.2. It has been agreed by Scottish Ministers that colleges can extend their current commercial insurance arrangements until 31 July 2018.

5.3.88.3. The Estates function is responsible for keeping suitable records of plant which is subject to inspection by an insurance company and for ensuring that inspection is carried out in the periods prescribed.

5.4.88.4. All staff using their own vehicles on behalf of the College shall maintain appropriate insurance cover for business use at their own cost.

9089 Companies, Partnerships, Joint Ventures and Other Charitable Vehicles

4.1.89.1. In certain circumstances it may be advantageous to establish a company, joint venture or other appropriate legal entity to undertake services on behalf of the College. Any member of staff considering the use of such an entity should first seek the advice of the Director of Finance, who should have due regard to guidance issued by the funding body.

4.2.89.2. The Board of Management is responsible for approving the establishment of all companies or other legal entities. This will have regard to any guidance provided by the funding body.

4.3.89.3. It is the responsibility of the Board of Management to establish the shareholding arrangements and appoint directors of companies wholly or partly owned by the College.

4.4.89.4. The directors of companies where the College is the majority shareholder must prepare an annual report. They will also submit business plans or budgets as requested to enable the Finance and General Purposes Committee to assess the risk to the College. The College's internal and external auditors shall also be appointed to such companies.

4.5.89.5. Where the College is the majority shareholder in a company, that company's financial year shall be consistent with that of the College.

9490 Security

All staff, irrespective of grade, have a general responsibility for the security of all College property, although certain senior staff will have more specifically defined responsibilities.

Strategic and Operational Managers have responsibility for maintaining proper security, custody and control at all times of the plant, buildings, materials, stores,

furniture, equipment, cash, etc. under their control. They should consult with the Estates Manager and/or a relevant member of the Senior Management Team in any cases where security is considered to be defective or where it is considered that special security arrangements may be required.

4.1.90.1. Keys to safes or other similar containers are to be kept securely at all times. The loss of such keys must be reported to the Director of Finance immediately.

4.2.90.2. The ICT Manager shall be responsible for maintaining proper security and privacy of information held on the College's computer network. Appropriate levels of security will be provided, such as passwords for networked PCs together with restricted physical access for network servers. Information relating to individuals held on computer will be subject to the provisions of the Data Protection Act 1998 and the EU General Data Protection Regulation (GDPR). The Data Controller shall be nominated to ensure compliance with the Act and the safety of documents.

4.3.90.3. The Director of Finance is responsible for the safekeeping of certain official and legal documents relating to the College. Signed copies of deeds, leases, agreements and contracts must, therefore, be forwarded to the Director of Finance. All such documents shall be held in an appropriately secure, fireproof location.

9291 Provision of Indemnities or Guarantees

4.1.91.1. Any request for indemnity or guarantee can only be given by the Director of Finance or the Principal.

APPENDIX A - Financial Memorandum

To Access the Financial Memorandum please click on the following link:

<https://www.inverness.uhi.ac.uk/t4-media/one-web/inverness/about-us/board-of-management/6.FinancialMemorandumbetweenUniversityoftheHighlandsandIslands.pdf>

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APPENDIX B - Key Contacts in Finance

The Finance Department is located in G1 of the ground floor of the Beechwood Campus. There is also a cash office located on the ground floor to the left of the main reception desk at Beechwood. The cash office is normally open between 9.00 and 15.00 (Monday to Friday).

In order to obtain maximum benefit from the Finance Department, it is important to observe any published deadlines. These deadlines have been established and agreed in order to guarantee the delivery of particular services which might not otherwise be achievable.

The main services offered by the Finance Department are noted below:

- Creditor payments
- Collection of income
- Payroll
- Travel service
- Insurance
- Financial accounting
- Capital projects
- Budget monitoring
- Budget planning
- Internal audit
- Policy and procedures
- Purchasing
- Contract development and maintenance
- Tendering management
- Operational issues re. vendors, purchases etc.
- Administration and payment of student support funds.
- Value for Money control

Director of Finance 01463 273260
Finance Manager 01463 273408

APPENDIX C - Capital Expenditure Appraisal

Purpose: to ensure that all capital expenditure proposals are suitably evaluated and properly authorised.

Outline capital expenditure proposals must be consistent with the aims and objectives of the College Strategic and Operational Plans, and also, where appropriate, other strategies and policies, including the Estates and ICT. Specific reference should be made in any proposal to the objective within the Strategic Plan that the proposal links to.

Any capital expenditure proposal should also include the following:

- The specification of the needs and objectives of the proposal within the context of the organisation's strategic plans.
- The identification of all available options.
- The valuation of the costs, benefits, timing and risks involved. The costs of the project must include any professional fees associated and also VAT.
- The identification of any available funding.
- The analysis of the results and assessment of affordability.
- The recommendation for the option selected.
- The extent and scope of the appraisal process will vary depending on the scale of the expenditure and the nature of the project. The extent of the appraisal will be determined by the Senior Management Team and will normally be carried out during the planning process cycle.

Capital Expenditure procedures must comply with the financial memorandum issued by the SFC (see Appendix 1), and for major projects, observe any specific procedural notes issued by the SFC. Proposals for all major projects will require to be supported by a full business plan.

Projects will be ranked by the Senior Management Team (SMT) in terms of priority to facilitate the decision making process and impose strict budgetary control. Available grant funding and the criteria and timing constraints imposed by grant providers will influence the evaluation process and the ranking of projects.

SMT will advise relevant College managers when approval has been given for capital expenditure. Finance will incorporate the expenditure into the annual capital expenditure plan.

If an organisation invests in a project, it expects a return, and deciding on a project involves making a long-term decision. One of the things organisations consider is the time value of money – if I have £5 now, how much is it worth in 4 years time? This is where we use the Net Present Value (NPV) method to appraise an investment opportunity. The other two main ways are the Internal Rate of Return (IRR) and the Payback method. The three methods are described below and assistance in their calculation can be sought from Finance.

The Principles of Discounted Cash Flow

The basic principle of discounting is that if we wish to have £x in so many years time, we need to invest y at an interest rate of z in order to get that sum of money.

Present value just means the amount of money which must be invested now to make a certain amount of money in so many years time.

Capital Investment Appraisal – Net Present Value (NPV) method

Discounted cash flow methods can be used to appraise capital investment projects. The two main methods are NPV and IRR, but there is also the payback method.

Net present value method - calculates the present values of all items of income & expenditure related to a project at a given rate of return & calculates a net total. If it is positive, then it is ok to invest in that project, but if it is negative, it is not a good investment.

Capital Investment Appraisal – Internal Rate of Return (IRR) method

The IRR method determines the rate of interest (the internal rate of return) at which the NPV is zero. The internal rate of return is therefore the rate of return on an investment.

The IRR method will indicate if a project is viable if the IRR exceeds the minimum acceptable rate of return.

Capital Investment Appraisal – Payback method

The payback period is the time that is required for the inflows to equal the outflows. Before it can be calculated, you must know the initial cash outflow & the estimate of future earnings/ savings.

There are two ways to use the payback period:

- a) Accept project with the shortest payback period.
- b) Have a payback period limit, where only projects which are less than the period limit will be accepted.

The Payback method is often used as a first step in project appraisal but it should not be used alone for decisions. If it passes the payback test, NPV or IRR should then be used.

Click on the links below for examples:

- [NPV Example](#)
- [Payback Example](#)

APPENDIX D - Summary of Protocols for Proposed Major Developments

Any proposal for major developments should be supported by a business plan for at least three years which sets out:

- a demonstration of the proposal's consistency with the strategic plans approved by the governing body and with the College's powers under current legislation;
- details of the market need and the assumptions (based on reference data) of the level of business available;
- details of the business and what product or service will be delivered;
- an outline plan for promoting the business to the identified market and achieving planned levels of business;
- details of the staff required to deliver, promote and manage the business, together with any re-skilling or recruitment issues;
- details of any premises and other resources required;
- a financial evaluation of the proposal together with its impact on revenue and surplus, plus advice on the impact of possible alternative plans and sensitivity analyses in respect of key assumptions;
- contingency plans for managing adverse sensitivities;
- consideration of taxation and other legislative or regulatory issues; and,
- At least a three-year financial forecast for the proposal including a cash flow forecast and details of the impact on the College cash flow forecast for the financial years in question.

APPENDIX E - Internal Audit Responsibilities

The primary responsibility of the internal audit service is to provide the funding body, the Board of Management and managers of the College with assurance on the adequacy and effectiveness of the internal control system, including risk management and governance. Responsibility for internal control remains with management, who should recognise that internal audit can only provide 'reasonable assurance' and cannot provide any guarantee against material errors, loss or fraud. Internal audit also plays a valuable role in helping management to improve systems of internal control and so to reduce the potential effects of any significant risks faced by the College. Risk management provides the opportunity for internal audit work to be efficient and focused. It does not necessarily imply that internal audit activity has to be increased.

Internal audit can also provide independent and objective consultancy advice specifically to help management improve the internal control system, including risk management and governance. In such circumstances, internal auditors apply their professional skills in a systematic and disciplined way to contribute to the achievement of corporate objectives. Such advisory work contributes to the opinion that internal audit provides on internal control, including risk management and governance.

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APPENDIX F – Procurement Thresholds

Inverness College UHI work with [Advanced Procurement for Universities and Colleges](#), to support the development of advanced procurement across the further and high education sector in Scotland.

The college has also signed up to the [Scottish Government's Suppliers' Charter](#) as part of our commitment to working together with other Public Sector buying organisations and Scottish businesses in order to improve public sector procurement processes and dialogue. When calculating the contract value, for a one-off purchase, the total cost of the good(s) or service(s) will provide the contract value. If the purchase is a recurring spend, the College will calculate the value over 4 years to establish the total contract value.

A national framework or local contract that meets the requirements must be used in the first instance for all tendering activity.

Inverness College is committed to carrying out procurement activities in an environmentally, socially, ethically and economically responsible manner and to entering into agreements and contracts with suppliers that share and adhere to its vision. Inverness College demonstrate this through its promotion of the APUC Supply Chain of Conduct. A copy of the APUC Supply Chain of Conduct is located in the Finance Manual.

For Goods and Services

For Goods and Services greater than £50,000 and less than the OJEU thresholds – the College Procurement Team must undertake a formal tendering process and must advertise on the national advertising website Public Contracts Scotland. Additionally the Board of Management must provide approval.

Over EU Threshold – For Goods, Services and Works Projects must undertake a full formal tendering process and advertise the contract in the Official Journal of the European Union, as well as on Public Contracts Scotland (www.ojec.com/thresholds). This will be carried out by the College Procurement Team. Additionally the Board of Management must provide approval.

For Works Projects

£2m – 4.1m – this must undertake a formal tendering process and must advertise on the national advertising website Public Contracts Scotland. This will be carried out by the College Procurement Team. Additionally Board of Management must provide approval.

>£4.1m – a full formal tendering process must be undertaken and advertise the contract in the Official Journal of the European Union, as well as on Public Contracts Scotland. <https://www.ojec.com/Thresholds.aspx> This will be carried out by the College Procurement Team with additional approval by the Board of Management.

Sustainable Procurement Duty

For Procurement exercises (>£50k Goods & Services / Works £2m) Inverness College is committed to the sustainable Procurement Duty and promises to:

Improve the economic, social, and environmental wellbeing of the authority's area, Facilitate the involvement of small and medium enterprises, third sector bodies; supported businesses in the process; and promote innovation.

Route 1 < £3000	Devolved Procurement Route	4 year spend to be checked and verified. Local / National Framework Agreements to be checked
<£500	By All Staff	1 quote or catalogue/internet print is required that meets with the Inverness College Value for Money Policy and approved by Budget Holder No Single Source Form required
>£500 <£1000	By Technicians / Delegates	2 quotes or catalogue/internet print is required that meets with the Inverness College Value for Money Policy and approved by Budget Holder By exception and where applicable a Single Source Form should be completed and approved by all concerned.
>£1000 < £3000	By Budget Holder or Delegate	Evidence of market research is to be provided - includes catalogue, internet print outs and 2 formal written quotes are required that meets with the Inverness College Value for Money Policy. By exception and where applicable a Single Source Form should be completed and approved by all concerned.
Route 2 >£3,000 & <£9,999	Devolved Procurement Route	4 year spend to be checked and verified. Local / National Framework Agreements to be checked
	By Budget Holder or Delegate	3 formal written quotes are required that meets with the IC Value for Money Policy. By exception and where applicable a Single Source Form should be completed and approved by all concerned.
Route 3 >£10,000 & <£49,999	Regulated Procurement Route	4 year spend to be checked and verified. Local / National Framework Agreements to be checked
	By College Procurement Team	Competitive tendering on PCS using Quick Quote
Route 4A > £50,000 &	Regulated Procurement Route	4 year spend to be checked and verified. Local / National Framework

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Below OJEU		Agreements to be checked
Below OJEU Threshold	By APUC / College Procurement Team	Competitive quotes on PCS-Tender
Route 4B OJEU Compliance	Regulated Procurement Route	4 year spend to be checked and verified for PCS-T & OJEU compliance. Local / National Framework Agreements to be checked
Supply, Services and Design Contracts >£181,302 (as at 1 January 2018)	By APUC / College Procurement Team	To be in compliance with the Scottish Government Procurement Regulations for the Public Sector and also the Procurement Reform (Scotland) Act 2014 Public Contracts (Scotland) Regulations 2015, Procurement (Scotland) Regulations 2016 and the statutory guidance.
Works Contracts >£4,551,413 (as at 1 January 2018)	By APUC / College Procurement Team	To be in compliance with the Scottish Government Procurement Regulations for the Public Sector and also the Procurement Reform (Scotland) Act 2014 Public Contracts (Scotland) Regulations 2015, Procurement (Scotland) Regulations 2016 and the statutory guidance.
Route 1 < £3000	By	4-year spend to be checked and verified. Local / National Framework Agreements to be checked
<£500	All Staff	1 quote or catalogue/internet print is required that meets with the Inverness College Value for Money Policy and approved by Budget Holder No Single Source Form required
>£500 <£1000	By Technicians / Delegates	2 quotes or catalogue/internet print is required that meets with the Inverness College Value for Money Policy and approved by Budget Holder Single Source Form is required for single supplier
>£1000 <£3000	By Budget Holder or Delegate	Evidence of market research is to be provided—includes catalogue, internet print outs and 2 formal written quotes are required that meets with the Inverness College Value for Money Policy. Single Source Form required for single supplier
Route 2 >£3,000 & <£9,999	By	4-year spend to be checked and verified. Local / National Framework Agreements to be checked
	By Budget Holder or Delegate	3 formal written quotes are required that meets with the IC Value for Money Policy. Single Source Form is required

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		for single supplier.
Route 3 >£10,000 & <£49,999	By	4-year spend to be checked and verified. Local / National Framework Agreements to be checked
	College Procurement Team	Competitive tendering on PCS using Quick Quote
Route 4A > £50,000 & Below OJEU	By	4-year spend to be checked and verified. Local / National Framework Agreements to be checked
Below OJEU Threshold	APUC / College Procurement Team	Competitive quotes on PCS Tender
Route 4B OJEU Compliance	By	4-year spend to be checked and verified for PCS T & OJEU compliance. Local / National Framework Agreements to be checked
Supply, Services and Design Contracts >£164,176	APUC / College Procurement Team	To be in compliance with the Scottish Government Procurement Regulations for the Public Sector and also the Procurement Reform (Scotland) Act 2014 Public Contracts (Scotland) Regulations 2015, Procurement (Scotland) Regulations 2016 and the statutory guidance.
Works Contracts >£4,104,394	APUC / College Procurement Team	To be in compliance with the Scottish Government Procurement Regulations for the Public Sector and also the Procurement Reform (Scotland) Act 2014 Public Contracts (Scotland) Regulations 2015, Procurement (Scotland) Regulations 2016 and the statutory guidance.

Notes:

These thresholds will apply to all Enquiries or Contracts processed locally or through the Public Contracts Scotland Portal (PCS) and all purchase orders processed regardless of the system used e.g. PECOS, SUN, Credit Card transactions.

The use of any relevant Local and National Framework Agreements are also to be considered.

As per government regulations, the 4 year cumulative spend has to be reviewed to ensure it does not exceed £50K within a 4 year window - (4 x £12.5K) unless a National Framework Agreement exists.

It is important that the total lifecycle costing and impact mapping is considered.

Working towards cost savings and cost avoidance is paramount with greater focus towards improved efficiencies, contract management and budget/cost management will be monitored.

Requisitions must **not** be split into smaller order quantities in order to avoid the correct procurement route.

For Major Works projects over £4m Community Benefit Clauses will be considered and documented.

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APPENDIX G – Delegated Financial Limits and Annual Reporting Requirements

Delegated financial limits and annual reporting requirements for Regional Colleges and Regional Boards

Delegated financial limits

External Business and management consultancies	£100,000
Special severance payments	£1,000
Operating leases-non property	£250,000
Procurement non-competitive action	£25,000

Annual reporting requirements

Extra contractual payments	£5,000
Compensation payments	£5,000
Ex-gratia payments	£1,000
Claims waived or abandoned	£3,000
Write-off of bad debt	£3,000
Losses	£3,000
Overseas student irrecoverable loss	£6,000
Fraud loss	£5,000

Board of Management

Subject/Title:	Further Education Fee Waiver Policy
Author: [Name and Job title]	Fiona Mustarde, Director of Finance
Meeting:	Finance & General Purpose Committee
Meeting Date:	6 th December 2018
Date Paper prepared:	13 November 2018
Brief Summary of the paper:	<p>Background Inverness College UHI does not have a specific further education fee waiver policy in place currently. Instead we operate under the auspices of the Scottish Funding Council National Fee Waiver Policy. This does not however address the decision making process regarding discretionary fee waivers. In order to ensure parity across UHI, a single policy has been developed for implementation across the partnership.</p> <p>Main body of Information A Fee Waiver Policy Ownership Group was formed in February 2018 with Inverness College UHI taking the Policy Lead role. This group has representation from a number of UHI partners and HISA. The aim of the group was to develop a fit for purpose policy that would ensure parity across the UHI partnership and provide clear guidance for both students and staff.</p> <p>There are a variety of different practices in place across the partnership. Some institutions have existing fee waiver policies in place whilst others, including Inverness College UHI, rely solely on the SFC policy. Whilst there is significant commonality across the partnership, there are some specific areas of divergence leading to disparity of student experience regarding fees for certain qualifications. The new Policy has addressed these issues by giving clarity to the circumstances in which a discretionary fee waiver can be considered.</p>
Action requested: [Approval, recommendation, discussion, noting]	The Committee is asked to agree the Further Education Fee Waiver Policy and recommend it to the Board of Management for approval.
Link to Strategy:	Opportunity and Growth in Sustainability

Please highlight how the paper links to, or assists with:: <ul style="list-style-type: none"> • compliance • partnership services • risk management • strategic plan • new opportunity/change 			
Resource implications:	Yes / No If yes, please specify: Provides guidance for granting of fee waivers which potentially decreases cash		
Risk implications:	Yes / No If yes, please specify: Financial: granting of fee waivers reduces income to the College Operational: provides clear policy for students and staff regarding FE fee waivers Organisational: Ensures parity across UHI		
Equality and Diversity implications:	Yes/No If yes, please specify:		
Consultation: [staff, students, UHI & Partners, External] and provide detail	The policy was discussed at Scrutiny Panel (28 th August 2018) then distributed for Staff Consultation (3 rd – 24 th October 2018) before progressing to SMT (30 th October 2018).		
Status – [Confidential/Non confidential]	Non-confidential		
Freedom of Information Can this paper be included in “open” business* [Yes/No]	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.)			

Further guidance on application of the exclusions from Freedom of Information legislation is available via

<http://www.itspubliknowledge.info/ScottishPublicAuthorities/ScottishPublicAuthorities.asp> and

http://www.itspubliknowledge.info/web/FILES/Public_Interest_Test.pdf



Inverness College, University of the Highlands and Islands

Further Education Fee Waiver Policy

Reference: PL/CS/2018/006

Lead Officer (Post):	Director of Finance
Responsible Office/ Department:	Finance
Responsible Committee:	Board of Management F&GP Committee
Review Officer (Post):	TBC – Single Policy Environment
Date policy approved:	Click or tap to enter a date.
Date policy last reviewed and updated:	Click or tap to enter a date.
Date policy due for review:	Click or tap to enter a date.
Date of Equality Impact Assessment:	Click or tap to enter a date.
Date of Privacy Impact Assessment:	n/a

This policy covers the 2018-19 academic year.

For all our up-to-date policies, please visit our [website](#).

Accessible versions of this policy are available upon request.

Policy Summary

Overview	This policy is required to set out a regional approach to Further Education Fee Waivers for Inverness College and all academic partners in the University of the Highlands and Islands.
Purpose	The policy will provide a framework for a consistent and coherent methodology for the awarding of Scottish Funding Council and discretionary fee waivers for further education courses.
Scope	This policy applies to all academic partners who run further education courses.
Consultation	This policy was developed by a Policy Ownership Group, made up of practitioners from across the University of the Highlands and Islands network. Endorsement was received from the Finance Directors Practitioner Group and Partnership Council, before the policy went through local consultation and approval by College Boards of Management.
Implementation and Monitoring	Academic partners will be responsible for implementing and monitoring the policy. Analysis will be carried out of the policy's impact by staff from the Vice-Principal for Further Education's office.
Risk Implications	The policy reduces risk for the University and academic partners by creating a streamlined process and a community of practice for staff. Students will also benefit from a consistent approach across all partners.
Link with Strategy	
Impact Assessment	Equality Impact Assessment: Assessed – No further action to be taken.
	Privacy Impact Assessment: n/a

1. Policy Statement

1.1 This document sets out the policy for the awarding of Further Education fee waivers in Inverness College, University of the Highlands and Islands. This policy refers to Scottish Funding Council policy and guidelines on fee waivers, which is reviewed annually. A position is also set out for the awarding of discretionary fee waivers from a College's individual budget.

2. Definitions

2.1 Scottish Funding Council ("SFC") - SFC is the national, strategic body that is responsible for funding teaching and learning provision, research and other activities in Scotland's colleges and universities. SFC gives funding to colleges and universities with guidance on how the funds should be distributed to students.

3. Purpose

3.1 This policy sets out a robust and transparent framework for the awarding Further Education course fee waivers at the College.

3.2 The policy will create an equality of experience for students across the partnership, whilst allowing individual colleges the flexibility to respond to local needs.

3.3 SFC Funded Fee Waivers

The core of this policy is based on the SFC Guidance on Fee Waiver Grant Policy and any associated annexes and appendices. The current SFC Guidance can be accessed [here](#). The majority of fee waivers will be funded by SFC.

3.4 Discretionary Fee Waivers

Students attending the University of the Highlands and Islands will have a parity of experience through the use of SFC Fee Waivers. Under exceptional circumstances and subject to individual budgets, colleges have the power to award discretionary fee waivers.

3.4.1 Categories of Discretionary Fee Waivers include but are not limited to:

- Staff development, where a course is an essential part of an approved staff development plan
- Additional academic requirements, where the College stipulates compulsory completion of an additional qualification as part of the main course
- Exceptional requirements, where College Senior Management identify a significant local benefit to use of Discretionary Fee Waivers

3.4.2 Colleges should endeavour to create parity of experiences for students across the region through their use of discretionary fee waivers.

3.4.3 Due consideration should be given to the impact of discretionary fee waiver usage on other colleges in the University of the Highlands and Islands partnership.

4. Scope

4.1 This Policy applies to all applicants for further education courses (full-time and part-time), except for the courses set out in Section 5 below.

4.2 Applicants for higher education courses should refer to the [Higher Education Fees Policy](#). Higher education courses are normally Level 7 and above on the [SCQF Framework](#).

5. Exceptions

5.1 Courses outwith the scope of this policy are:

- All leisure courses
- All commercial courses
- SVQ courses

5.2 Please refer to the accompanying Fee Waiver Procedures for further information and an eligibility flowchart.

6. Notification

- 6.1 Staff engaging with Fee Waivers should be familiar with this policy and all relevant SFC policies.
- 6.2 Annual changes to SFC policies will be cascaded to staff by line managers and hyperlinks in the policy updated to reflect the most recent guidance.
- 6.3 Any changes in SFC policy or national legislation will be reflected in this policy.
- 6.4 The policy will be publicly available on the College's website, along with other current policies.

7. Roles and Responsibilities

- 7.1 The College's most senior Financial Officer has overall responsibility for the implementation of this policy and the management of Fee Waivers, including the approval of Discretionary Fee Waivers.
- 7.2 Staff administering Fee Waivers are responsible for ensuring up-to-date SFC guidance is followed.
- 7.3 Awarding of Discretionary Fee Waivers will be recorded and reported on annually to the Finance Directors Practitioner Group.

8. Legislative Framework

- Further and Higher Education (Scotland) Act 2005
- Equality Act 2010
- Scottish Government: Costs of Learning Student Funding Guide
- General Data Protection Regulation (GDPR) 2018

9. Related Policies, Procedures, Guidelines and Other Resources

- 9.1 This policy should be read in conjunction with SFC Fee Waiver policies and guidance. The up-to-date information can be accessed [here](#).
- 9.2 University of the Highlands and Islands Further Education Fee Waiver Procedures (forthcoming)
- 9.3 University of the Highlands and Islands Further Education Student Funding Support Policy (forthcoming)
- 9.4 [College Access and Inclusion Strategy](#)

10. Version Control and Change History

Version	Date	Approved by	Amendment(s)	Author
0				
1				
2				

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University of the
Highlands and Islands
Oilthigh na Gàidhealtachd
agus nan Eilean

Chancellor:
HRH The Princess Royal
Seansalair:
A h-Àirdeachd Rioghail A' Bhana-phrionnsa Rioghail

Principal and Vice-Chancellor:
Professor Clive Mulholland BSc PhD CSci FIBMS SFHEA FRSA
Prionnsapal agus Iar-Sheansalair:
An t-Àrd-Ollamh Clive Mulholland BSc PhD CSci FIBMS SFHEA FRSA

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1 June 2018

Chris O'Neill Esq
Inverness College UHI
1 Inverness Campus
INVERNESS
IV2M 5NA

Dear Chris

At Partnership Council on 30th May, a regional Further Education Fee Waiver was presented for endorsement as part of the Single Policy Environment Project. This Policy has been produced by a group of specialists with representation being invited from each academic partner. The group has worked over the past few months to produce a policy document that will help us to achieve a greater level of consistency in the student experience across the region and reduce workload in the longer term. The group has also, throughout this process, given full consideration to the context in which each partner operates.

A request was made to Partnership Council that this policy be endorsed and then taken through local consultation and policy approval processes in order that it could be adopted by each academic partner for their Further Education Fee Waiver functions. This endorsement was given and an agreement reached that local consultation and approval processes would now be enacted. In addition to Partnership Council, the policy was also endorsed by the Finance Directors Practitioner Group on 24th May.

I am aware that the agenda for Partnership Council is busy and that some Principals were not able to attend on 30th May. I am therefore writing formally to each academic partner delivering further education to clarify this request for action and to ask that partners confirm when their local process is complete. Could I ask that key local staff (e.g. Quality Managers) are engaged with as necessary throughout the process.

Given the lengthy discussion with fee waiver specialists throughout this process and the iterations of this policy that have gone to committees, I would not expect issues to arise during the consultation process. Should any stakeholder request amendments however, I would ask that you assess whether these would be sufficiently substantial to require revision and an additional discussion at Partnership Council or whether proposed amendments are presentational and unlikely to impact on the fair and transparent arrangements to which we are all committed.



While the Fee Waiver Policy is being taken through local consultation and approval processes, the Policy Ownership Group is developing a set of underpinning procedures to support the policy implementation.

Once we have confirmation that partners have approved the policy, comprehensive policy awareness and training will be arranged for all relevant staff, to help with implementation.

The Fee Waiver policy reflects the up-to-date Scottish Funding Council guidance, and the hyperlinks in the policy have been updated to direct readers towards the 2018-19 guidance. Therefore the policy is ready for adoption immediately after consultation and approval by your Board of Management.

For ease of reference and identification the Policy Ownership Group has adopted a standard partnership template for the regional policy development. Throughout the document however, there is opportunity to identify the relevant academic partner name. To ease workloads and avoid duplication of activity, a single Equality Impact Assessment has been carried out and is attached for your use. The text highlighted in red in the policy shows where local information, including names and policies, require to be added. If you or your staff require further guidance on this, please contact Steven Gregg, Single Policy Environment Project Manager on 01463 279201 or steven.gregg@uhi.ac.uk.

I would like to take this opportunity to thank the specialist staff who have worked so well as a community of practice in developing this policy and its associated processes. Their efforts have been very much appreciated.

Very kind regards

Yours sincerely

A handwritten signature in blue ink, appearing to read 'D Rawlinson', with a stylized flourish at the end.

Diane Rawlinson
Vice Principal Further Education
Encs

Board of Management

Subject/Title:	Student Support Funds Policy
Author: [Name and Job title]	Fiona Mustarde, Director of Finance
Meeting:	Finance & General Purpose Committee
Meeting Date:	6 th December 2018
Date Paper prepared:	13 November 2018
Brief Summary of the paper:	<p>Background This Policy is part of a suite of policies coming out across the partnership as part of the common policy environment. This policy will bring about more consistency in how partners make decisions on funding and how funding is provided to individuals to support them in their study. The policy is also in response to changes made by the Scottish Funding Council around the attendance requirement for bursary payment.</p> <p>Main body of Information The policy will not lead to any significant changes to our current working practice. The policy and the various aspects of work outlined in it sits across the Student Funding team and the Finance team and between the Head of Student services and the Director of Finance.</p>
Action requested: [Approval, recommendation, discussion, noting]	The Committee is asked to agree the changes to the Student Support Funds policy and recommend it to the Board of Management for approval.
Link to Strategy: Please highlight how the paper links to, or assists with::	
	<ul style="list-style-type: none"> • compliance • partnership services • risk management • strategic plan • new opportunity/change
Resource implications:	Yes / No If yes, please specify:
Risk implications:	Yes / No If yes, please specify: Operational: Organisational:

Equality and Diversity implications:	Yes/No If yes, please specify:		
Consultation: [staff, students, UHI & Partners, External] and provide detail	The policy was discussed at Scrutiny Panel (28 th August 2018) then distributed for Staff Consultation (3 rd – 24 th October 2018) before progressing to SMT (30 th October 2018).		
Status – [Confidential/Non confidential]	Non-confidential		
Freedom of Information Can this paper be included in “open” business* [Yes/No]	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.)			

Further guidance on application of the exclusions from Freedom of Information legislation is available via

<http://www.itspublicknowledge.info/ScottishPublicAuthorities/ScottishPublicAuthorities.asp> and

http://www.itspublicknowledge.info/web/FILES/Public_Interest_Test.pdf



Inverness College, University of the Highlands and Islands

Student Support Funds Policy

Reference: PL/CS/2018/007

Lead Officer (Post):	Director of Finance
Responsible Office/ Department:	Admissions & Student Funding
Responsible Committee:	Board of Management F&GP Committee
Review Officer (Post):	TBC – Single Policy Environment
Date policy approved:	Click or tap to enter a date.
Date policy last reviewed and updated:	Click or tap to enter a date.
Date policy due for review:	Click or tap to enter a date.
Date of Equality Impact Assessment:	01/06/2018
Date of Privacy Impact Assessment:	Click or tap to enter a date.

This policy covers the period (date) to (date).

For all our up-to-date policies, please visit the Policy homepage on our [website](#).

Accessible versions of this policy are available upon request.

Policy Summary

Overview	This policy is required to set out a regional approach to distribution of student support funds for Inverness College and all academic partners in the University of the Highlands and Islands.
Purpose	The policy will provide a framework for a consistent and coherent methodology for the awarding of student support funds.
Scope	This policy applies to all academic partners.
Consultation	This policy was formulated by a Policy Ownership Group, made up of practitioners from across the University of the Highlands and Islands network. Endorsement was received from Partnership Council (TBC), before the policy went through local consultation and approval by College Boards of Management (TBC) and Finance and General Purpose Committee (TBC).
Implementation and Monitoring	Academic partners will be responsible for implementing and monitoring the policy. Analysis will be carried out of the policy's impact by staff from the Vice-Principal for Further Education's office.
Risk Implications	The policy reduces risk for the University and academic partners by creating a streamlined process and reinforcing the existing staff community of practice. Students will also benefit from a consistent approach across all partners.
Link with Strategy	This policy is linked to individual Access and Inclusion strategies and the Regional Outcome Agreement.
Impact Assessment	Equality Impact Assessment: (Forthcoming)
	Privacy Impact Assessment:

1. Policy Statement

1.1 The purpose of this policy is to outline the principles underpinning the College's process of assessing and distributing Student Support Funds. The overarching aim of this policy is to ensure that as many eligible students as possible have access to funds within allocated budgets.

1.2 Funds are distributed in compliance with the funding regulations as determined by the Scottish Funding Council and Student Awards Agency Scotland. Where discretion is given to the College to determine eligibility, this policy specifies the rationale applied.

2. Definitions

2.1 Scottish Funding Council ("SFC") - SFC is the national, strategic body that is responsible for funding teaching and learning provision, research and other activities in Scotland's colleges and universities. SFC gives funding to colleges and universities with guidance on how the funds should be distributed to students.

2.2 Student Awards Agency Scotland ("SAAS") – SAAS is an agency of the Scottish Government giving financial support to eligible students doing a course of higher education in the UK. SAAS provides the University of the Highlands and Islands with funds and guidance for distribution of the Higher Education Discretionary Fund.

2.3 For the purposes of this policy, the following terms will be used:

2.3.1 The Further Education Bursary will be referred to as the "Bursary Fund".

2.3.2 The Educational Maintenance Allowance will be referred to as the "EMA".

2.3.3 The College and University Childcare Funds will be referred to the "Childcare Funds".

2.3.4 The Further Education Discretionary Fund will be referred to as the "FE Discretionary Fund".

2.3.5 The Higher Education Discretionary Fund will be referred to the "HE Discretionary Fund".

2.4 Further Education courses are normally up to and including Level 6 on the [SCQF Framework](#). Higher Education courses are normally Level 7 and above.

3. Purpose

3.1 The College will utilise the current guidance to ensure fair distribution of the Student Support Funds.

3.2 The College aims to distribute Student Support Funds within the conditions of the respective national policies in a fair and consistent manner to assist students who demonstrate financial need. The College undertakes to maximise the use of available funds to ensure as many students as possible benefit through the qualifying criteria.

3.3 Bursary Fund

3.3.1 As defined in the current SFC guidelines, available [here](#), the Bursary Fund may be offered where the student and their course meets eligibility criteria. There is no automatic entitlement to the Bursary Fund, even where eligibility is established.

3.3.2 The Bursary Fund constitutes the following:

- Maintenance Allowance

- Dependant Allowance
- Study Expense Allowance
- Travel Expense Allowance
- Additional Support Needs for Learning Allowance

3.3.3 Maintenance Allowance: the College follows the SFC guidance for this element.

3.3.4 Dependant Allowance: the College follows the SFC guidance for this element.

3.3.5 Study Expense Allowance: the College follows the SFC guidance for this element.

3.3.6 Travel Expense Allowance

- The College will determine the most appropriate and cost-effective route or mode of transport for Travel Expense Allowance.
- Travel expenses will only be paid for students residing 3 miles or more from the college.

3.3.7 Additional Support Needs for Learning Allowance: the College follows the SFC guidance for this element.

3.3.8 The attendance criteria for the Bursary Fund is based on the current SFC guidance. Where the guidance calls for institutional discretion to be applied, the process to be followed is agreed regionally and is available in the Attendance Appendix.

3.4 EMA

As defined in the current SFC guidelines, available [here](#), the EMA provides a weekly term time allowance for students normally aged 16-19 years old inclusive from low income households who are studying non-advanced courses.

3.4.1 The College follows the current SFC guidance.

3.4.2 The attendance criteria for EMA is based on the current SFC guidance. Where the guidance calls for institutional discretion to be applied, the process to be followed is agreed regionally and is available in the Attendance Appendix.

3.5 Childcare Funds (Further and Higher Education)

As defined in the current national policy and guidelines, available [here](#), Childcare Funds consist of two elements to help pay for formal or registered childcare expenses: the Lone Parents Childcare Grant and the Discretionary Childcare Funds.

3.5.1 The College follows the current national policy and guidelines for Childcare Funds.

3.5.2 The College may identify certain groups as priority for allocation of the Discretionary Childcare Funds element, based on assessment of need.

3.6 FE Discretionary Fund

As defined in the current [SFC guidelines](#), the FE Discretionary Fund is “primarily for emergency use and instances of financial hardship”.

3.6.1 The College follows the current guidance, available above.

3.6.2 The College distributes FE Discretionary Funds within allocated budgets in response to student need and circumstances.

3.6.3 The FE Discretionary Fund has priority areas for including, but not limited to:

- Housing and accommodation costs
- Emergency aid for unforeseen and unmanageable circumstances
- Students at risk of financial hardship due to substantially higher-than-average utility costs

3.7 HE Discretionary Fund

As defined in the current [SAAS guidelines](#), the HE Discretionary Fund is intended to “provide non-repayable assistance for students in financial difficulties in order for them to access and/or continue in Higher Education”.

3.7.1 Inverness College follows the current guidance, available above.

3.7.2 The college distributes HE Discretionary Funds within allocated budgets in response to student need and circumstances.

3.7.3 The HE Discretionary Fund has priority areas for including, but not limited to:

- Housing and accommodation costs
- Students experiencing excessive travel costs, e.g. where the journey is greater than a reasonable commute
- Childcare costs for part-time HE courses
- Emergency aid for unforeseen and unmanageable circumstances
- Students at risk of financial hardship due to substantially higher-than-average utility costs

3.8 Supporting Evidence

3.8.1 Students applying for financial support are required to produce documentary evidence in support of their application before an award can be considered.

3.8.2 Exception may be made for care experienced students who may encounter difficulty in providing documentation in support of their application, which could create or exacerbate financial hardship. In this case, confirmation of the student’s circumstances from a third party agency such as the local authority Social Work department will be accepted in place of the normal supporting documentation.

3.9 Eligibility

3.9.1 Eligibility criteria are in line with the relevant guidance/policy for each fund.

3.9.2 In addition, all applicants for student financial support will be checked for any outstanding debt to the college. Students with outstanding debt will be required to enter into a repayment agreement before additional funds will be released.

3.9.3 Where a student experiences an unforeseeable or unavoidable change to their circumstances during an academic year, the college may re-assess the student as appropriate.

3.10 Appeals and Grievances

3.10.1 Students are entitled to raise grievances related to the application of this policy and awarding of student support funds.

3.10.2 In the first instance, students should raise their grievance with college staff responsible for student support funds administration.

3.10.3 Should this not resolve the grievance, the student will be able to escalate the issue by means of an impartial review.

3.10.4 Further information is available in the accompanying Student Support Funds Procedures.

4. Scope

4.1 Financial support may only be offered if both the student and their course are eligible for support.

5. Exceptions

5.1 The policy identifies areas of discretion for colleges, and sets out priority areas for support. Ultimate authority for awarding of discretionary funds rests with the college, and decisions will be made in line with the policy and/or guidelines issued by SFC or SAAS.

5.2 As per the Education (Access Funds) (Scotland) Determination there are different arrangements for students living in the local authority areas of Orkney Islands and Shetland Islands. These students should contact the college at which they intend to study for further information.

6. Notification

6.1 Staff members engaging with Student Support Funds should be familiar with this policy and all relevant SFC/SAAS policies.

6.2 Annual changes to SFC/SAAS policies will be cascaded to staff by line managers and hyperlinks in the policy updated to reflect the most recent guidance.

6.3 Any changes in SFC/SAAS policy or national legislation will be reflected in this policy.

6.4 The policy will be publicly available on the College's website, along with other current policies.

7. Roles and Responsibilities

7.1 The College's Director of Finance has overall responsibility for the implementation of this policy and the management of Student Support Funds

7.2 The College's Director of Finance is responsible for the approval of FE Discretionary Funds and HE Discretionary Funds.

7.3 The staff administering Student Support Funds are responsible for ensuring up-to-date local policies and SFC/SAAS guidance is followed.

7.4 The Admissions and Student Funding Manager is responsible for ensuring that all enrolled students receiving EMA support have a signed Learning Agreement.

7.5 The Admissions and Student Funding Manager is responsible for ensuring that student attendance information is passed to the SITS office for recording on the College SITS system to satisfy the conditions of the Bursary or EMA award.

7.6 Students are responsible for informing the College of changes to their circumstances, including voluntary withdrawal from a course.

8. Legislative Framework

- [Further and Higher Education \(Scotland\) Act 2005](#)
- [Equality Act 2010](#)
- [Scottish Government: Costs of Learning Student Funding Guide](#)

- General Data Protection Regulation (GDPR) 2018

9. Related Policies, Procedures, Guidelines and Other Resources

9.1 This policy should be read in conjunction with SFC and SAAS policies and guidance. Links are provided above in Section 3.

9.2 University of the Highlands and Islands Student Support Funds Procedures (forthcoming).

9.3 University of the Highlands and Islands Further Education Fee Waiver Policy (forthcoming).

9.4 [Scottish Funding Council \(SFC\) website](#)

9.5 [Student Awards Agency Scotland \(SAAS\) website](#)

10 Version Control and Change History

Version	Date	Approved by	Amendment(s)	Author
0				
1				
2				
3				
4				

Board of Management

Subject/Title:	Procurement Strategy Update / Value for Money and Procurement Annual Report – 2017/18
Author: [Name and Job title]	Derek Cowie, APUC Supply Chain Manager Swarna Bhargava, Contracts and Procurement Coordinator
Meeting:	Finance and General Purposes Committee
Meeting Date:	6 December 2018
Date Paper prepared:	31 October 2018
Brief Summary of the paper:	This paper details the college outcomes against objectives set out in the 2016/17 value for money report. It also provides 2017/18 tendering activity and sets 2018/19 procurement objectives.
Action requested: [Approval, recommendation, discussion, noting]	Discussion
Link to Strategy: Please highlight how the paper links to, or assists with: <ul style="list-style-type: none"> • compliance • partnership services • risk management • strategic plan • new opportunity/change 	Linked to Strategic Plan: The procurement strategy is supporting the vision set out in strategic plan on two key sections namely - opportunity and growth in organisation development, opportunity and growth in sustainability benefits, these are linked to specific KPI's
Resource implications:	Yes If yes, please specify: reducing costs and creating efficiencies
Risk implications:	Yes If yes, please specify: Operational: budgetary implications Organisational: sustainability
Equality and Diversity implications:	No
Consultation: [staff, students, UHI & Partners, External] and provide detail	N/A

Status [Confidential/Non confidential]	–	Non confidential	
Freedom of Information Can this paper be included in “open” business* [Yes/No]		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.)			

Further guidance on application of the exclusions from Freedom of Information legislation is available via

<http://www.itspublicknowledge.info/ScottishPublicAuthorities/ScottishPublicAuthorities.asp>
and

http://www.itspublicknowledge.info/web/FILES/Public_Interest_Test.pdf

Value for Money and Procurement Annual Report – 2017/18

Recommendation

The Finance and General Purposes Committee is requested to discuss this report.

Purpose of report

To provide an update on procurement and value for money activities across College departments during 2017/2018.

Background

On the 18 April 2016, the landscape of procurement changed with the introduction of the new EU Procurement Directive 2014, Procurement Reform (Scotland) Act 2014 and the Procurement Regulations (Scotland) 2016. This made compliance more onerous by having to advertise all tender opportunities over £50,000 via Public Contracts Scotland and each organisation has a requirement to publish and maintain a contract register for all regulated procurement contracts.

Under the new legislation, section 9 of the Procurement Reform (Scotland) Act 2014, there is also a requirement to comply with the Sustainable Procurement Duty, which exemplifies the Scottish Model of Procurement, and places sustainable and socially responsible purchasing at the heart of the process. As best practice, GDPR legislation has increased the procurement workload through due diligence and liaising with the DPO and the stakeholders in order to comply.

On 25 May 2018 new GDPR legislation came into force relating to the processing of data in the EU, whether the data subject is an EU citizen or not, and to data concerning an EU citizen processed out-with the EU. This means that where the College is working with any EU based organisation or who has EU staff or students we need comply and be able to demonstrate that they meet the requirements.

Fines for non-compliance are set in 2 tiers with the maximum based on 4% of global turnover or €20 million for tier 2 breaches and 2% or €10 million for tier 1. The highest levels are most likely to be used in cases of total systemic control failure and where no or not enough attention has been paid to properly collecting, processing and managing data.

This has seen an increase in work due to contracts having to be assessed for GDPR relevance, then suppliers that are relevant being assessed based on the risk profile with changes to contractual arrangements, action plans and ongoing contract management being adapted accordingly to these suppliers and their sub-suppliers as appropriate.

In 2017-18, Inverness College in conjunction with the APUC introduced a different procurement model with two resources dedicated to manage the increased procurement activity and tendering requirements over £10,000. This was based on a Category split with an equal financial spend of around £2.5million each. The new procurement model has

demonstrated a positive change in the College to meet its legal regulatory obligations for the Public Sector.

Inverness College continues to promote devolved procurement exercises for low value requirements. Budget holders are responsible for procuring these requirements in line with the governance rules and delegated authority.

2017/18 Objectives

In 2017/18 a Value for Money Report was submitted to the Audit Committee, below is a performance update on the objectives that the college committed to;

- The Financial Regulations and Procurement Strategy were updated to reflect changes in the new regulatory framework and procurement best practice;

Procurement Strategy was signed off by Board of Management in June 2017 and is now published on the Inverness College UHI website. This strategy is from 2017 – 2020.

The procurement strategy is supporting the vision set out in strategic plan on two key sections namely - opportunity and growth in organisation development, opportunity and growth in sustainability benefits, these are linked to specific KPI's.

The new internal governance rules commenced on 1st August 2017 and during the year 2017/18 there was more emphasis on encouraging good procurement practices from devolved procurement via Route 1 and 2. This provided greater flexibility when purchasing low value requirements whilst also maintaining a process for compliance and value for money.

The Inverness College UHI Financial Regulations were updated with the new internal governance rules and to reflect the changes in procurement regulations.

In addition the college have adopted the Terms and Conditions compiled by APUC and Thornton Law for the sector, to provide a robust set of Terms and Conditions that provides Inverness College UHI with legal protection when procuring any goods or services. These new T&C's include the following regulatory requirements under recent legislative changes;

- Compliance with Modern Slavery and Human Trafficking Laws 2015
- Anti-Facilitation of Tax Evasion in line with the Criminal Finances Act 2017
- Data Protection and compliance with the Data Protection Legislation (GDPR) 2018

- Identify and train additional PECOS users with the objective of increasing the overall percentage orders placed through PECOS;

The Professional Electronic Commerce Online System (PECOS) is a cloud based purchase to pay system which can be accessed via any secure online connection. By using PECOS, the College is able to reduce the paperwork and inefficiencies

associated with paper processing of purchase orders, goods receipts, invoices and returns. It can also increase control and accountability of spend through the use of flexible approval workflows which help to support and drive procurement controls and procedures.

14 PECOS training sessions were delivered to requisitioners throughout FY 2017/18.

As a result of the training sessions there has been an increase in number of orders being placed has increased by 138.67% and spend going through PECOS has increased by 14.38%. As of 31st July 2018 there were 797 live suppliers on PECOS which represents a 145% increase from the number reported in 2017.

In previous years Inverness College UHI has processed minimal spend through the tool with the majority of spend going through the SUN finance system. To drive efficiencies and deliver value for money this issue was identified as a priority in the FY15/16 VFM report, over the last year the College has increased both the number of suppliers added to the system and the orders processed on PECOS, and decreased the orders through SUN. In addition to PECOS, Inverness College UHI also uses its finance system and RBS credit cards to place orders for goods and services,

The tables below demonstrates the figures over the last 4 years;

PECOS

Financial Year	Number of Orders Processed in PECOS	Total Order Value (excluding VAT)
2014 / 2015	563	£130,537
2015 / 2016	850	£351,711
2016 / 2017	1456	£1,686,062
2017 / 2018	3475	£1,928,499

SUN Financial System

Financial Year	Number of Orders Processed in SUN	Total Order Value (excluding VAT)
2014 / 2015	5519	£2,365,500.57
2015 / 2016	5534	£1,978,773.31
2016 / 2017	560	£423,180.30
2017 / 2018	50	£26,061.89

Financial Year	Sun system direct payment on invoice (PI)	Total Order Value (excluding VAT)
2014 / 2015	9865	£5,693,673.66
2015 / 2016	12970	£9,116,191.43
2016 / 2017	4723	£8,442,669.82
2017 / 2018	4755	£8,931,328.06

Credit Card Spend

Financial Year	Value	Percentage difference
2014 / 2015	£43,184.72	Base line
2015 / 2016	£86,451.00	+100.19%
2016 / 2017	£75,502.00	-12.66%
2017 / 2018	£57,383.23	-24.00%

The % of the total College spend placed through PECOS appears relatively low at 21.63%, however this does not take account of the expenditure in SUN which does not require purchase orders e.g. unitary charge payments and utilities charges. After adjusting for these which total £5,135,676.17, spend placed through PECOS rises to 42%. This is a significant improvement from previous years where the figures were lower. The College expected the new finance system to be implemented in 2018, however the installation process has resulted in various issues leading to a delay in implementation. The new finance system is expected to streamline the purchase to pay process to the benefit of the College.

This year there has been a substantial decrease in the credit card spend against 2016/17 figures.

- Ensure that all contract information is placed on the Hunter database to ensure that all contracted spend is captured and reported on;

The Procurement Reform (Scotland) Act 2014 has placed an obligation on the College to keep and maintain a contract register for all regulated procurement which must be made publicly available.

The College continues to use the sector tool called Hunter to record not only regulated but unregulated contracts. This allows the college to not only capture savings achieved through tender activity but also create a forward contracting plan to ensure a more planned approach is taken when procuring the college requirements. All sector contracts registers are published on the APUC website and can be accessed via a link published on the college website.

- E-invoicing requirement is to be in place by April 2020

Scottish Government recognise that there is compelling evidence that eInvoicing saves money for both public bodies and suppliers. It is generally the last part of the Purchase to Pay (P2P) cycle that has not been automated. The processing or dealing with invoices is a manual, labour intensive process. Each paper invoice requires time-intensive, error-prone, manual processing for both buyers and suppliers.

P2P Service Management – There is a change freeze implemented during the transition period Sept and Dec for the contract which has resulted in not being able to progress e-Invoicing and Gateway implementations as planned.

The European Commission has included specific provisions for e-Invoicing within the revised EU Public Procurement Directives, which requires the college to provide an e-Invoicing facility for suppliers, initially by Nov 2018, however APUC have negotiated for the Institutions to comply with e-Invoicing by Apr 2020.

Provision has been made within the new finance system to provide an invoicing module to meet the timelines, alternatively Scottish Government have a free solution that the college can access.

- Identify and train relevant staff in the use of PCS, Quick Quote, to ensure that procurement at all levels is managed appropriately and by members of staff who are best placed to do so;

It was decided by the College that to ensure compliance with the regulations, all tendering through Public Contracts Scotland would be administered by Procurement staff with support from APUC. Procurement staff have been trained on use of Public Contracts Scotland and continue to receive regular training updates.

- Work in conjunction with APUC to ensure that the College is well prepared for the PCIP (OPR) due Q1-2019

All Public Sector bodies are required to be assessed under the Scottish Procurement & Commercial Improvement Programme (PCIP). PCIP focuses on College procurement policies and procedures and the results that they deliver.

The College annual procurement spend is less than £5M and therefore is subject to an Operational Procurement Review (OPR).

The College is due its next OPR in autumn 2019. The procurement team continue to track related processes through the UHI Activity tracker which is aligned to the PCIP Objectives.

APUC will support the college throughout the process.

Tendering Activity 2017/18

In compliance with Procurement Strategy and acting in a transparent and proportionate manner:

The college has over 1074 active suppliers with whom the College did business in the reporting period and the total procurement influential expenditure was £8,916,186 (Note: £4,171,215 is attributed to GT Equitix Inverness Ltd. facilities management contract).

47 tender exercises were initiated and 28 were completed with contract value of £569,941 with savings of £120,348 achieved. The remaining exercises are rolling over into FY 18/19.

Local Cost Savings 2017/18 amounted to £55,344 via promoting a local cost saving initiative with the devolved procurement staff.

Please refer Appendix B – Local Cost Savings Details / Graphs
For FY2018/19, the cost savings / cost avoidance details will be enhanced for clarity.

Savings are calculated and approved, using the Scottish Cross Public Sector Savings Methodology.

The College has been optimising use of national, sectoral, local or regional C1 collaborative contracts and frameworks. As well as bringing leverage based savings, the burdens of risk, contract and supplier management are shared and the number of resource-intensive formal local tenders that need to take place is reduced significantly. 24% of the College spend went through collaborative agreements.

Collaborative savings have been achieved through national and regional exercises as follows –

BT1 cash savings £132,375
 BT2 cash savings £254,845
 Cost Avoidance £60,000

Key Successes 2017/18

Throughout 2017/18, the team focused on non-compliance areas to ensure new contracts were placed to ensure compliance with all regulations including GDPR and Health and Safety.

Contract Type	Awarded	Term	Options to Extend
Sports & Outdoor Clothing Contract	07-08-17	2 Years	1 x 1 year option
Provision to Supply High Fashion Makeup	10-08-17	2 Years	None
Provision of Face-to-Face Interpretation Services	10-08-17	2 Years	1 x 1 year option
Snow Clearing & Gritting	02-11-17	2 Years	2 x 1 year option
Catering Equipment Maintenance	15-11-17	2 Years	2 x 1 year option
Laundry Equipment Maintenance	30-11-18	2 Years	2 x 1 year option
Waste Management	15-05-18	2 Years	2 x 1 year option
Portable Appliance Testing	12-06-18	2 Years	2 x 1 year option
Fire Extinguishers Servicing	21-06-18	2 Years	2 x 1 year option
Taxi Services Collaborative Framework	24-07-18	2 Years	1 x 1 year option

Where there is no suitable national framework agreement available, we have focused on contracting local frameworks or contracts for reoccurring goods or services.

Extensive time was also expended working with SFC and Gardiner Theobald on the former Inverness College Demolition Project and the capital project to refurbish the SSF Tractor Shed Project.

A detailed summary of all contracted procurement activity can be located in the Inverness College Contracts Register (Hunter Database), this also has the

information on the use of Public Contracts Scotland and Quick Quotes, providing complete visibility of the College's procurement activity over the reporting period.

Non-Compliant Regulated Procurements

In the FY17-18 period Inverness College UHI had two occurrences of non-compliance, this has occurred where historic suppliers have been used without a contract and the spend exceeds £50k over a 4 year period.

Description	4 year Spend	Observations/Corrective Actions Taken
The Arts Supplies and Services	£65,519	PRA Exercise should have completed(Open tender)/ Scheduled for year 2018/19
Catering Uniforms	£37,808	e-Tools should have been used / Scheduled for year 2018/19

Contract Management - Stakeholder Consultation & Engagement

Through a culture change in the behaviour towards developing supplier relationships with the emphasis being focused on contract management developing a real and lasting change. This includes weekly/fortnightly internal meetings with key stakeholders and monthly and quarterly contract review meetings with key contracts holders such as Mears Facilities Management, Iqarus Ltd, Northern Recycling Solutions and JLA. From increasing supplier networking and building stronger supplier relationship through the contract review meetings has improved the supplier performance, for example the cleaning contract. Another supplier namely Northern Recycling Solutions are assisting the College with the Waste Reduction Initiative Campaign.

Please refer to Appendix C - Supplier Development Programme (Contract Management)

Other Procurement Activities

Innovation

British Sign Language (BSL), procurement have been involved with coordinating both internal and external stakeholders to investigate other ways of engaging the BSL interpreters.

Waste Management, working on innovating ways to reduce waste

Environmental & Sustainability

As part of sustainability, procurement have been involved with leading the Waste Reduction Initiative Campaign and preparing a short term and long term strategy for the College. This also includes preparing and maintaining the 6 month look ahead

plan and coordinating the core and extended teams activities. This will be extended throughout the next two years 2018-20.

Procurement are also involved with contributing to the Climate Change Report.

Networking, attending various internal and external meetings to look at future collaborations with various organisations and UHI Partners. Working aligned with the Scottish Government guidelines and other Scottish Government Bodies to build up the knowledge required to support Inverness College meet high standards associated with the College environmental and sustainability responsibilities.

Free Sanitary Products

As per Scottish Government's initiative, Inverness College is now providing sanitary products free of charge to any students in need. Several solutions were discussed before an agreement was reached with management on the best way forward.

Asset Disposal

Procurement have been involved with drafting and implementing the asset disposal policy and process. Rolling out to staff and assisting staff as required.

Procurement Training & Development

This has continued throughout 2017-18 with training being made available as required. Stakeholder and staff engagement will be increased in 2018-19 to include mini workshops on various procurement topics and best practice workings.

Local Cost Savings

Promoting and educating staff on local cost savings, which are now recorded against each department and individual. Quarterly reminders were sent out to SMT & PDM's and new mini training workshops are to be set up for 2018-19.

Meetings

Procurement are now involved in attending additional meetings and for example, Board of management Meetings, Disposal Board for the former Longman College and also attending some Senior Management Meetings to gain their support to promote specific topics.

Reports

Procurement have been involved with data cleansing of some reports, for example, the 4 year spend analysis report which is important that the College has accurate information to ensure compliance with the Scottish Government thresholds for regulated procurement tender exercises. The data cleansing is still ongoing.

The Procurement team are also involved with maintaining the College Procurement Risk Register and also the Procurement Continuous Improvements Register.

Meet the Buyer Events

The procurement team represented Inverness College at a recent meet the Buyer Event North organised by Scottish Government, Scotland Excel and HIE.

Procurement and Value for money objectives 2018/19

The procurement team will focus on the following objectives:

- We will analyse spend, highlight risk and create a forward contracting plan to promote culture change from reactive to planned work.
- We will review existing contracts to check their validity and update the Contracts Register allowing us to focus on any expired contracts or contracts due to expire in 2018-19.
- We will support our procurement staff to develop and maintain their procurement knowledge in terms of best practice and legislation requirements by adopting a category management approach and participating in relevant training events.
- Procurement Training & Development, we will educate all staff with devolved purchasing authority through effective communication streams and training events to increase compliance, achieve savings and reduce spend on direct invoice payment and credit cards.
- We will support an ethos of effective contract management, adopting a pro-active approach to ensure optimum performance and service levels.
- We will enhance our efficiency through effective engagement with our partners in both UHI, the wider education sector and the public sector in general to maximise collaboration opportunities.
- We will ensure that sustainability criteria is reviewed as part of each tendering exercise and, where appropriate, evaluated and measured. Capture all sustainability benefits including fairwork practices achieved in regulated procurements through BT14 function on Hunter Database.
- Participate in local meet the buyer events/Participate with local authorities on SME engagement events to communicate how to become part of Inverness College supply chain.
- Drive efficiencies through evaluating whole life costs where relevant.

Appendix A – Table of Tender Activities

Appendix B – Local Cost Savings Details / Graphs

Appendix C - Supplier Development Programme (Contract Management)

INVERNESS COLLEGE UHI
RECORD OF LOCAL PROCUREMENT COST SAVINGS 2017-18

Month	Date	Description	Dept.	Value GBP £ (Ex-VAT)	Monthly Total GBP £	Overall Total GBP £ (YTD)
August	01-Aug-17	CIPHR System Upgrade requested by Nicola Quinn resulted in a cost reduction of £250.00	HR	£250.00		
August	01-Aug-17	Advertising with College.jobs.ac.uk and Jobs.ac.uk by Nicola Quinn resulted in a cost reduction of £1225.00	HR	£1,225.00		
August	08-Aug-17	Derek Cowie challenged SSE invoices against the Longman Site and received a refund against all invoices dating back since 2013	Finance	£1,746.00		
August	08-Aug-17	Cost avoidance as above, Derek Cowie challenged SSE and they have cancelled the outstanding charge of £582 year 17- 18	Finance	£582.00		
August	16-Aug-17	Cost reduction received from Allan Munro Construction in connection with the SSF Wood Chip Store due to a design change to the soakaway.	Finance	£1,000.00		
August	31-Aug-17	Switching suppliers for fish products saves IC £27.32/ (£118.39/month)	Catering	£118.39		
AUGUST 2017 COST SAVINGS				£4,921.39	£4,921.39	£4,921.39
Sept	07-Sep-17	Cost reduced by Blundell Harling as a result of discussion with Debbie Templeton in connection with the Drawing board ordered by Mark Wilson	Finance	£360.15		
Sept	22-Sep-17	Advertising with S1 Jobs by Nicola Quinn resulted in a cost reduction of £750.00	HR	£750.00		
Sept	25-Sep-17	John Newsom received a £155.00 cost reduction for a refurbished snow plough attachment	Estates	£155.00		
Sept	30-Sep-17	Switching suppliers for fish products saves IC £27.32/ (£118.39/month)	Catering	£118.39		
SEPTEMBER 2017 COST SAVINGS				£1,383.54	£1,383.54	£6,304.93
Oct	05-Oct-17	CIPHR System Training requested by Nicola Quinn resulted in a cost reduction of £655.00	HR	£665.00		
Oct	10-Oct-17	SSF Wood Chip Store, some ambiguities over Architect drawing resulting in a 50/50 split agreed between Architect & Contractor. Through various challenges the contractor has agreed to cost reductions.	Finance + Estates	£4,517.47		
Oct	16-Oct-17	Cost reduction achieved by using a National Framework Agreement rather than supplier internet prices. Further training and awareness to be offered to college staff.	H Keys	£482.70		
Oct	31-Oct-17	Switching suppliers for fish products saves IC £27.32/ (£118.39/month)	Catering	£118.39		
OCTOBER 2017 COST SAVINGS				£5,783.56	£5,783.56	£12,088.49
Nov	13-Nov-17	Cost reduction by going to a framework supplier by Shona	SMT	£75.00		
Nov	30-Nov-17	Local Contract for Laundry Equipment Maintenance & Repairs tender exercise cost savings = £705.00/year as per the Scottish Public Sector Benefits Reporting Guidance Document	Finance + Estates	£705.00		
Nov	30-Nov-17	Switching suppliers for fish products saves IC £27.32/ (£118.39/month)	Catering	£118.39		
NOVEMBER 2017 COST SAVINGS				£898.39	£898.39	£12,986.88
Dec	06-Dec-17	New equipment at the SSF, we have saved on depreciation of the big chipper - £3000 per year	LB SSF	£3,000.00		
Dec	23-Dec-17	Switching suppliers for fish products saves IC £27.32/ (£118.39/month)	Catering	£118.39		
DECEMBER 2017 COST SAVINGS				£3,118.39	£3,118.39	£16,105.27
Jan	12-Jan-18	New Bulk Chipper, cost savings achieved from reduced staff time and also on sales	LB SSF	£2,000.00		
Jan	30-Jan-18	Cost avoidance relating to the new lease mini buses, returned the remote mounting SAT NAV devices as these were not suitable for college use.	Finance	£629.64		

INVERNESS COLLEGE UHI
RECORD OF LOCAL PROCUREMENT COST SAVINGS 2017-18

Month	Date	Description	Dept.	Value GBP £ (Ex-VAT)	Monthly Total GBP £	Overall Total GBP £ (YTD)
Jan	31-Jan-18	Switching suppliers for fish products saves IC £27.32/ (£118.39/month)	Catering	£118.39		
JANUARY 2018 COST SAVINGS				£2,748.03	£2,748.03	£18,853.30
Feb	28-Feb-18	Switching suppliers for fish products saves IC £27.32/ (£118.39/month)	Catering	£118.39		
FEBRUARY 2018 COST SAVINGS				£118.39	£118.39	£18,971.69
Mar		Switching suppliers for Salto cards from GTFM to MacGregor Industrial Supplies cost saving achieved by Estates	Estates	£95.00		
Mar		Switching suppliers for fish products saves IC £27.32/ (£118.39/month)	Catering	£118.39		
MARCH 2018 COST SAVINGS				£213.39	£213.39	£19,185.08
Apr		Ergonomic Furniture and DSE assessment - No assessment fees and no delivery cost which is potential cost avoidance of £125 per occasion. Past six months there have been 12 assessments = 12*125	H&S	£1,500.00		
Apr	30-Apr-18	Switching suppliers for fish products saves IC £27.32/ (£118.39/month)	Catering	£118.39		
APRIL 2018 COST SAVINGS				£1,618.39	£1,618.39	£20,803.47
May	02-May-18	Cost avoidance, funding received from UHI for Carol Hart for her network librarian work she does across the network. This money is being used to fund a post in the SkillZone, therefore it's cost neutral to the College	CH Library	£6,000.00		
May	08-May-18	Pricing error picked up by Finance (MD) resulting in cost avoidance and over priced SUN PO being issued.	Finance	£608.40		
May	25-May-18	Challenged supplier over providing only 50% refund on unsatisfactory product and secured of 1064.70 and also to use display boards or dispose of as per our requirement.	Art & Drama	£1,064.70		
May	31-May-18	Cost avoidance / savings achieved by SSF in receiving through the Stihl UK College Support Scheme free of charge PPE and Chain Saws for four staff members	LB SSF	£4,235.00		
May	31-May-18	Switching suppliers for fish products saves IC £27.32/ (£118.39/month)	Catering	£118.39		
May	31-May-18	Savings Calculated on the basis of the previous negotiated figures for a 2 year deal versus the final negotiated figures	HR	£3,590.85		
MAY 2018 COST SAVINGS				£15,617.34	£15,617.34	£36,420.81
June	01-Jun-18	Cost avoidance by requesting free samples of books worth £64.95 from Leckie and Leckie (Lesley Frame)	Science	£64.95		
June	15-Jun-18	Cost savings by using framework supplier for ordering 18th Edition of the IET Wiring Regs. Being published on 2 July 2018.	Business Services Contracts team	£526.56		
June		Supplier Stilhi donated £6.5K of equipment, training and clothing as part of a 'College Support Package'	LB SSF	£6,500.00		
June	30-Jun-18	Switching suppliers for fish products saves IC £27.32/ (£118.39/month)	Catering	£118.39		
JUNE 2018 COST SAVINGS				£7,209.90	£7,209.90	£43,630.71
July	05-Jul-18	Cost avoidance in the removal of the tic tools plus leaflets from the HC	LB SSF	£150.00		
July	11-Jul-18	Sale of scrap metal	Paul Moody	£7,156.56		
July	11-Jul-18	Sale of scrap metal	Paul Moody	£509.00		
July	13-Jul-18	Building Warrant refund from the Highland Council relating to the SSF Tractor Shed Refurb Project	LB SSF	£65.00		
July	13-Jul-18	Paper purchase order for books worth £18124.60 was queried by Mary - Finance which led to getting in touch with framework supplier and gave a saving of £3714.89	Mary	£3,714.89		

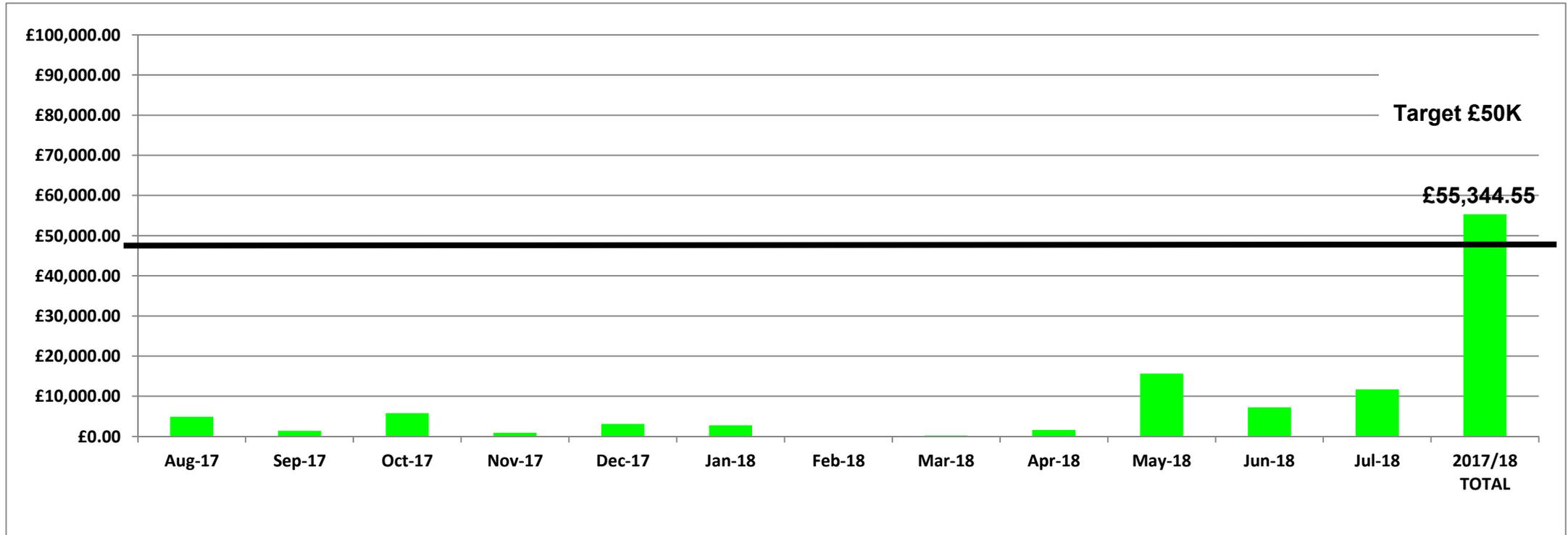
INVERNESS COLLEGE UHI
RECORD OF LOCAL PROCUREMENT COST SAVINGS 2017-18

Month	Date	Description	Dept.	Value GBP £ (Ex-VAT)	Monthly Total GBP £	Overall Total GBP £ (YTD)
July	31-Jul-18	Switching suppliers for fish products saves IC £27.32/ (£118.39/month)	Catering	£118.39		
JULY 2018 COST SAVINGS				£11,713.84	£11,713.84	£55,344.55

Record of Local Supply Chain Cost Savings for Inverness College 2017-18

Devolved Procurement Routes 1 & 2

	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	2017/18 TOTAL
Monthly	£4,921.39	£1,383.54	£5,783.56	£898.39	£3,118.39	£2,748.03	£118.39	£213.39	£1,618.39	£15,617.34	£7,209.90	£11,713.84	£55,344.55
Cumulative	£4,921.39	£6,304.93	£12,088.49	£12,986.88	£16,105.27	£18,853.30	£18,971.69	£19,185.08	£20,803.47	£36,420.81	£43,630.71	£55,344.55	£55,344.55

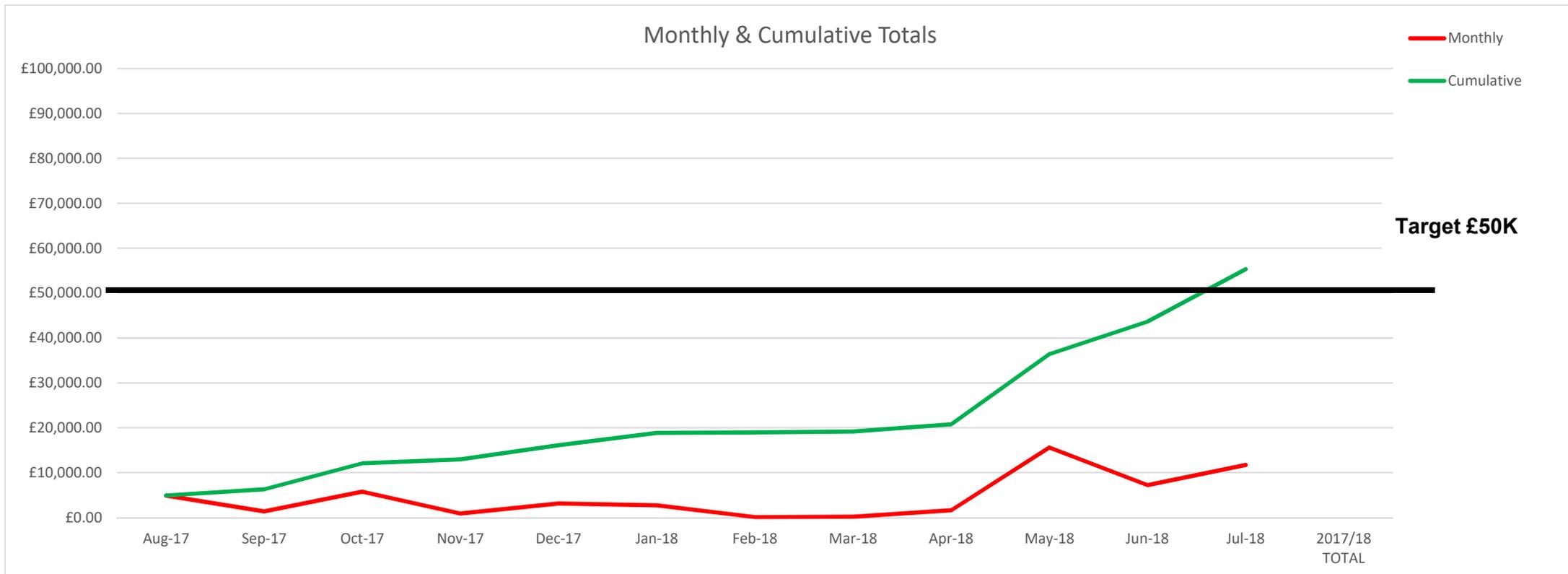


Record of Local Supply Chain Cost Savings for Inverness College 2017-18

Devolved Procurement Routes 1 & 2

Monthly & Cumulative Totals

	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	2017/18 TOTAL
Monthly	£4,921.39	£1,383.54	£5,783.56	£898.39	£3,118.39	£2,748.03	£118.39	£213.39	£1,618.39	£15,617.34	£7,209.90	£11,713.84	
Cumulative	£4,921.39	£6,304.93	£12,088.49	£12,986.88	£16,105.27	£18,853.30	£18,971.69	£19,185.08	£20,803.47	£36,420.81	£43,630.71	£55,344.55	



**Supplier Development Programme
Contract Management
Inverness College UHI**

Contract Number	Contract Title	Successful Contractor	Award Date / Contract Start Date	Contract Term Duration	Contract Extension (Yes / No)	Contract End Date (Without Extension)	Contract Value (Subject to Change)	Stakeholder	Procurement Lead	Framework Number / Contract Uptake	Contract Management Route	Risk	Meetings Frequency
CS-IC-1035	Cleaning Contract	Mears	01-Nov-15	3 Years	1 year extension activated	31-Oct-19	£219,438.63	MK / JN	DC	N/A	Strategic	High	Monthly
CS-IC-1169	Snow Clearing & Gritting	Ground Control	02-Nov-17	2 Years	2 x 1 year extension option available	01-Nov-19	£25,686.00	MK / JN	DC	N/A	Managed	Medium	Monthly
CS-IC-1154	Provision of Face-to-Face BSL Interpretation Services	Debbie McDonnell (Visible Voice)	21-Aug-17	2 Years	1 year extension option available	20-Aug-19	£55,944.00	KM	DC SB	N/A	Routine	Low	Monitored by KM
CS-IC-1154	Provision of Face-to-Face BSL Interpretation Services	Helen Farrelly	21-Aug-17	2 Years	1 year extension option available	20-Aug-19	£48,174.00	KM	DC SB	N/A	Routine	Low	Monitored by KM
CS-IC-1154	Provision of Face-to-Face BSL Interpretation Services	Rebecca Goodall	21-Aug-17	2 Years	1 year extension option available	20-Aug-19	£57,498.00	KM	DC SB	N/A	Routine	Low	Monitored by KM
CS-IC-1154	Provision of Face-to-Face BSL Interpretation Services	John Gill	21-Aug-17	2 Years	1 year extension option available	21-Aug-19	£56,644.00	KM	DC SB	N/A	Routine	Low	Monitored by KM
CS-IC-1137	Catering Equipment Maintenance Contract	JLA Ltd	15-Nov-17	2 Years	2 x 1 year extension option available	14-Nov-19	£15,000.00	MK / JN	DC	CAT11023 TU	Managed	Medium	Quarterly
CS-IC-1142	Laundry Equipment Maintenance	JLA Ltd	15-Nov-17	2 Years	2 x 1 year extension option available	14-Nov-19	£5,000.00	MK / JN	DC	N/A	Managed	Medium	Quarterly

Supplier Development Programme Contract Management Inverness College UHI

Contract Number	Contract Title	Successful Contractor	Award Date / Contract Start Date	Contract Term Duration	Contract Extension (Yes / No)	Contract End Date (Without Extension)	Contract Value (Subject to Change)	Stakeholder	Procurement Lead	Framework Number / Contract Uptake	Contract Management Route	Risk	Meetings Frequency
CS-IC-1072	Occupational Health Services	RS Occupational Health Iqarus Ltd	15-Feb-17	2 Years	1 x 12 months extension option	14-Feb-19	£15,000.00	NQ	DC	SEC1001 AP	Strategic	High	Monthly
CS-IC-1131	Makeup Local Contract	Mac-Cosmetics	10-Aug-17	2 Years	1 year extension option available	09-Aug-19	£10,000.00	SM / LM	DC	N/A	Routine	Low	Ad-hoc By SM/LM
CS-IC-1155	Sports & Outdoor Clothing Local Contract	Klas Klothing	09-Aug-17	2 Years	1 year extension option available	08-Aug-19	£11,000.00	SM / MB	DC	N/A	Routine	Low	Ad-hoc By SM/MB
CS-IC-1187	Portable Appliance Testing	OCS Compliance	12-Jun-18	2 Years	2 x 1 year extension option available	11-Jun-20	£5,000.00	MK / JN	DC	EFM3057 NW	Managed	Medium	Yearly
CS-IC-1188	Waste Management Contract	Northern Recycling	15-May-18	2 Years	1 year extension option available	14-May-20	£50,000.00	MK / JN	DC	EFM1022 AP	Managed	Medium	Quarterly
CS-IC-1191	Fire Extinguishers Servicing	Chubb Fire & Security Ltd	15-Jun-18	2 Years	1 year extension option available	14-Jun-20	£3,000.00	MK / JN	DC	SEC1000 AP	Managed	High	Yearly
CS-IC-1207	Painting Services Contract	Mitie Property Services (UK) Ltd	15-Oct-18	4 Years	None	14-Oct-22	£120,000.00	MK / JN	DC	N/A	Managed	Low	Biannual

Guide:

Contract Management Route
Routine, Managed or Strategic

Risk

High, Medium or Low

Contracts Register (Legal Requirement)

The above details are all included within the College Contracts Register (Hunter Database)

Board of Management

Subject/Title:	Business Development Update
Author:	Georgina Parker, Director of Business Development
Meeting:	Finance & General Purposes Committee
Meeting Date:	6 December 2018
Date Paper prepared:	28 November 2018
Brief Summary of the paper:	<ul style="list-style-type: none"> • Modern Apprenticeship contract performance: 83 starts at period 6, forecast 147 full year (against 126 in 2017/8) • Flexible workforce development income for 17/18 has been confirmed as £294K (£30K higher than reported) • 29 applications are being progressed for FWDF in 2018/19 to date, to a maximum value of £435K • Direct MA offer to Construction Employers is being rolled out • 1 KTPs is in the advanced stages of application • A range of bids for external funding have been submitted • No income reports are available for Short Course provision or the commercial food and beverage operation
Action requested: [Approval, recommendation, discussion, noting]	The committee is requested to discuss the business development update paper.
Link to Strategy: Please highlight how the paper links to, or assists with:: <ul style="list-style-type: none"> • compliance • partnership services • risk management • strategic plan • new opportunity/change 	Compliance: <ul style="list-style-type: none"> • SDS audit • SFC audit New opportunity: <ul style="list-style-type: none"> • Additional FWDF funding for both 17/18 and 18/19 • Growth in Modern Apprenticeship contract • Potential direct contract for CITB Apprenticeships Risk Management: <ul style="list-style-type: none"> • UHI regional contract • CITB qualification and contract issues
Resource implications:	Yes / No If yes, please specify:
Risk implications:	Yes / No If yes, please specify: Operational: <ul style="list-style-type: none"> • Failure to resource FWDF funded courses Organisational: <ul style="list-style-type: none"> • International recruitment. Measures to ameliorate risk will be identified as part of the strategy development.

	Financial: <ul style="list-style-type: none"> Impact on cash flow of move to UHI regional MA contract 		
Equality and Diversity implications:	Yes/No If yes, please specify:		
Consultation: [staff, students, UHI & Partners, External] and provide detail	Continued consultation with UHI and partners in relation to regional MA contracting model.		
Status – [Confidential/Non confidential]	Non confidential		
Freedom of Information Can this paper be included in “open” business* [Yes/No]	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.)			

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http://www.itspublicknowledge.info/web/FILES/Public_Interest_Test.pdf

1. Business Development Directorate Update

1.1 Modern Apprenticeships Contract

- 1.1.1 Modern Apprenticeship (MA) contract performance is in line with the forecast, with 83 starts having been claimed to date against a full year target of 147.
- 1.1.2 New MA frameworks for 2018/9 include: Forestry, ICT (information security)
- 1.1.3 The UHI regional contracting has worked well for ICUHI, providing year-round flexibility to trade sector starts across the partnership
- 1.1.4 The CITB national MA contract/delivery issue has not been resolved and none of Scotland's college have signed their sub-contracts for 2018/9. The Colleges are working with Colleges Scotland to raise awareness of the challenges that the CITB pricing model is causing for the sector (CITB only pays 30-36% of the SDS funding to Colleges to deliver the entire MA framework.
- 1.1.5 ICUHI has developed an Apprenticeship+ offer to attempt to gain direct support from Construction employers to bid for a direct contract. The UHI hub (Diane Rawlinson) is considering the implications of this. Failure to bid for this sector would have significant implications for the ICUHI as the largest provider of CITB MAs within the partnership.

1.2 Flexible Workforce Development Fund

- 1.2.1 Total funding for 2017/18 FWDF has been confirmed by UHI as being £294K.
- 1.2.2 The Scottish Government launched the second year of the "Flexible Workforce Development Fund" in August 2018. The allocation to UHI remained at £860K. The maximum value per employer was increased to £15,000. As the partnership delivered over 60% of its overall contract in 2017/18, the increase in value per employer should result in the full contract being achievable.
- 1.2.3 To date, 48 applications are in progress across the UHI partnership, of which 30 (62%) are led by Inverness College UHI for approximately £450K. The majority of the applications included a range of programmes for each employer, this poses challenges in terms of the significant additional administration but the cost of this is built into each course costing.

1.3 Projects, Bids and Innovation

- 1.3.1 A knowledge transfer partnership (KTP) for BSW is in the advanced stages of application. A further KTP with Pure Lubrication is at outline application stage and will be applied for in April 2019. There are two early proposals being scoped with Bio Fuels and Yellow Cherry.
- 1.3.2 A project design brief has been developed for the Inverness Campus Sports pitch. The closing date for the tender is 10th January with the works set to commence at the beginning of February for a period of up to 8 weeks.

- 1.3.3 Scottish Enterprise has agreed in principle to transfer land adjacent to the Scottish School of Forestry into the ownership of Inverness College UHI, in support of our aims to create a Trees to Timber Technology Centre. The Principal met with Stuart Black of the Highland Council to seek initial support for a pre-application planning approval, which was met with a positive response. The next step is to put in the pre-application and then undertake due diligence in relation to the land, prior to finalising any transfer. A £6 million contribution to the cost of developing the centre has been included in outline proposals for the Islands Growth Deal.
- 1.3.4 Bids have been submitted in November for: A project to increase the number of males in Childcare, a project to develop materials to increase the productivity of tourism businesses, a craft related research project in partnership with Birmingham City University IDEAS institute and a bid for cycles, safety equipment and racks (Cycle Friendly Campus).

1.4 Commercial Short Course income

- 1.4.1 There are currently no income figures available for short courses.
- 1.4.2 Short courses are now promoted via Eventbrite, which has provided an e-payment solution and will enable us to join the UHI CRM.
- 1.4.3 We had applied for Approved Training Provider status with CITB to enable companies to draw down grants from CITB for training that they undertake with us.

1.5 International Business Development

- 1.5.1 Five cohorts of the “Scottish Experience” programme are planned for 2018/9.
- 1.5.2 A range of short courses are being delivered for HUUC and the Henan Institute of Engineering.
- 1.5.3 The International Development Exec is undertaking a paid, part-time secondment to UHI as part of the new International work streams at UHI.
- 1.5.4 Discussions with a number of agents have commenced, focussed on the Africa and UAE markets.
- 1.5.5 A promotional trip to China, Tokyo and potentially Malaysia is being planned for March 2018.
- 1.5.6 UHI has opened a ‘micro-campus’ in Henan province at the Institute of Engineering.

1.6 Centre for Entrepreneurship

- 1.6.1 We were successful in securing funding to deliver Scotland Enterprising Schools nationally. Interest in the programme is already strong. We are delivering 20 places for £19,000 for the first cohort.
- 1.6.2 Carol Langston has completed her PhD, focussed on Entrepreneurship Education, she is now working on three academic papers.
- 1.6.3 We are working with UHI partners to develop an Entrepreneurship Academy. Progress has been slowed due to the Moray Growth Bid.
- 1.6.4 A bid has been submitted to HIE for a joint Craft related research project with the IDEA institute at Birmingham City University.

1.6.5 The Business Ideas competition received 120 applications and was very well attended. This was partly funded by UHI as part of a package which will also fund a 2019 cohort of the SEE programme for UHI staff and the development of an enterprising researchers programme.

1.7 Commercial Food & Beverage Financial Performance

1.7.1 It is estimated that there was a small deficit (in the region of £25K) for the food and beverage service across the College in 2017/18. The following actions have been taken to address this:

- Withdrew from the HIE contract.
- Proposal to SMT to increase some student prices to a level still below the national benchmark and a 20% increase in cost of food to staff
- Regular review of pricing with TUCO.

1.7.2 An electronic ordering system has been introduced to improve the customer experience and expedite invoicing, reducing the workload of the finance team.

1.7.3 There are currently no budget figures to report.

Board of Management

Subject/Title:	National Bargaining
Author: [Name and Job title]	Lindsay Ferries, Director of Organisational Development
Meeting:	Finance and General Purposes Committee
Meeting Date:	6 December 2018
Date Paper prepared:	22 November 2018
Brief Summary of the paper:	To report on the latest developments in pay and conditions collective bargaining.
Action requested: [Approval, recommendation, discussion, noting]	Discussion
Link to Strategy: Please highlight how the paper links to, or assists with:: <ul style="list-style-type: none"> • compliance • partnership services • risk management • strategic plan • new opportunity/change 	
Resource implications:	Yes / No If yes, please specify:
Risk implications:	Yes / No If yes, please specify: Operational: Organisational:
Equality and Diversity implications:	Yes/No If yes, please specify:
Consultation: [staff, students, UHI & Partners, External] and provide detail	

Status – [Confidential/Non confidential]	Confidential		
Freedom of Information Can this paper be included in “open” business* [Yes/No]	NO		
*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.)			

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Board of Management

Subject/Title:	Finance Monitoring Report – October 2018
Author: [Name and Job title]	Fiona Mustarde, Director of Finance
Meeting:	Finance and General Purposes Committee
Meeting Date:	6 December 2018
Date Paper prepared:	30 November 2018
Brief Summary of the paper:	To inform the committee of the financial position for the period to 31 October 2018.
Action requested: [Approval, recommendation, discussion, noting]	Discussion
Link to Strategy: Please highlight how the paper links to, or assists with:: <ul style="list-style-type: none"> • compliance • partnership services • risk management • strategic plan • new opportunity/change 	
Resource implications:	Yes: whether the College has sufficient resources to meet commitments
Risk implications:	Yes If yes, please specify: Operational: cashflow Organisational: surplus/(deficit), ability to meet customer demand and stakeholder requirements
Equality and Diversity implications:	No If yes, please specify:
Consultation: [staff, students, UHI & Partners, External] and provide detail	N/A

Status – [Confidential/Non confidential]	Non-confidential		
Freedom of Information Can this paper be included in “open” business* [Yes/No]	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)	
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Its disclosure would constitute a breach of the Data Protection Act (S38)		Other (please give further details)	
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Financial Monitoring for 2018/19 as at October 2018

Executive summary

The committee is asked to discuss the report.

Background information

Regular reporting to committee is an essential element of financial governance. The reports should provide committee members with appropriate, sufficient information to ensure that the College is operating on a sustainable basis. The format of reporting is currently under review and will change in future with the aim of providing enhanced information to committee members.

The financial monitoring for the 3 months to October 2018 are attached. Further detail to support values is contained in the narrative below.

Income and Expenditure Monitoring

- The results of the financial monitoring exercise for the 3 months to October 2018 are summarised in the table below.

Table 1: 2018/19 Income and Expenditure Monitoring – October 2018

YEAR TO DATE	Actual Oct 18 £000	Phased Budget Oct 18 £000	Variance £000
Income	6,394	6,427	(33)
Expenditure	7,002	7,019	17
Net Operational Surplus (Deficit)	(608)	(592)	(16)
YEAR END	Forecast £000	Budget £000	Variance £000
Income	27,735	27,927	(192)
Expenditure	29,547	29,312	(235)
Net Operational Surplus (Deficit)	(1,812)	(1,385)	(427)

2. The income budget was previously revised to reflect the additional SFC funding subsequently made available towards the cost resulting from the national bargaining pay agreement. The expenditure budget was previously revised to incorporate the same value leaving the net position, excluding deferred grant and depreciation, as breakeven.
3. The year to date position, for the 3 months to October 2018, shows the net operational position is £16,000 below the budget level. Income, at £33,000 above the budget level and expenditure at £17,000 below budget level, contribute to the variation at the end of the period and more detailed information is provided within this report.
4. The forecast year-end position and shows a forecast net deficit of £1,812,000 compared with the budget level of £1,385,000, a negative variance of £427,000. Note that these figures include the budget amounts for both depreciation and deferred grant. Key points impacting this figure are identified below.
5. The monitoring results are shown in the appendices. The list of pages is shown below:
 - Page 1 – Income & Expenditure Report – month, 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 percentage of creditors paid within 30 days in graphical form.
 - Page 8 – Summary Income & Expenditure and cash flow information from January 2017 for comparison purposes, which show budget, forecast and variance.

Income

6. The grant income related to student activity on the FE side was budgeted at £8,997,862 for 2018/19 (including national bargaining funding) and our core credit target is 28,915 credits. In addition to this we have an ESF target of 296 credits giving a total target of 29,211 credits.

The following table illustrates the current credit position for 2018/19.

FE	2018-19
Core Credit Target	28,915
ESF Target	296
Total Target	29,211
Total Credits as at 12/11/2018	25,049
Total Credits as at 13/11/2017	25,136

Currently, the total enrolments for 2018-19 at FE level is 3,045 heads generating 25,049 credits, however at this point not all students are attached to units to generate credits. Further recruitment is planned throughout the year, including a January intake.

The teaching grant income for HE was budgeted at £4,594,626 for 2018/19. The HE (PPF) target for 2018/19 for undergraduate students with a fee status of 'Scottish' or 'European' is 1,618 FTE. As at 12th November the FTE, counting by mode of attendance is estimated at 1,584 FTE.

Future reports at PPF will detail FTE count by module, however at present this is not yet available.

PPF Target HE FTE (Undergraduate students, including SC and EU fee statuses, excluding PGDE)	1,618
Current HE students as at 15/10/2018 - count by Mode of Attendance (Estimated FTE)	1,584

The Funding Council Grants income budget also includes other SFC FE grants and UHI funding. The forecast reduction relates to movement in grant funding between estimates at the time of budget setting and delays in activity related to additional grant funding.

7. The budget for the year for SFC unitary charge funding is £4,786,000 and at July 2018, there is a positive variance of £25,000. The positive variance is due to timing of the drawdown of funding to cover the insurance costs recharged by GTEIL as required in the contract.
8. The income budget allocated to the College for student support funds is less than that anticipated at budget setting. This is a cause for concern due to the significantly higher level of expenditure being experienced in 2018/19 as a direct result of changes in SFC policy. We are participating in the annual in-year redistribution exercise through which we expect to secure additional funding.
9. The budget for the year for tuition fees is £3,330,000 and as at October 2018, there is a negative variance of £22,000 against the budget to date. The forecast position for July 2019 is £3,316,000, leading to a negative variance of £14,000.
10. SDS Training Contracts income consists of modern apprenticeship funding and foundation apprenticeship funding. Current income at October 2018 is £199,000 against a budget of £188,000, leading to a positive variance of £11,000. Training Mostly these funds are released on the basis of claims submitted to SDS who operate an April to March financial year. Claims are submitted using a cloud based software system provided by SDS.
11. Other income for the 3 months to October 2018 is £631,000, £92,000 above the budget of £539,000. The most significant individual identified components of other income are EC funds and foundation income. EU funds actual of £29,642 against a zero budget. Foundation grant of £48,160 has been received in respect of drawdown against the successful bids made in April 2018.

Expenditure

12. Actual expenditure on staffing costs for the 3 months to October 2018 is below the phased budget by £61,000. Other staff costs are over budget by £6,000. Overall there is a positive variance of £55,000 on total staffing costs. Pay costs remain under scrutiny and all vacancies are fully considered by the Resource Panel prior to recruitment. Variable teaching staff commitment is controlled through the Head of Curriculum. The support staff pay award has been agreed and payment was made in the November payroll. Provision was made within the budget for a 2% uplift. The final agreement is 2% or more depending on pay levels. The forecast underspend is as a result of vacancies within the establishment.
13. Property costs for the 3 months to October 2018 amount to £323,000 against a budget of £253,000, a deficit of £70,000. Costs associated with the Longman campus to October 2018 are £19,452.
14. The unitary charge position shows a positive variance of £35,000 against budget year to date. This reflects the higher level of deductions calculate by the College and applied to the monthly invoices received from GTEIL. It should be noted that the deductions applied are draft values and have not been fully agreed with GTFM/GTEIL.
15. Transport costs for the 3 months to 31 October 2018 are within budget. The forecast variance for the full year reflects the anticipated cost of hire vehicles to accommodate contracting activity.
16. Supplies and services has a negative variance of £48,000 for the 3 months to October 2018. There are a number of movements within this but the most significant is the increase in the LIS recharge from UHI EO.

Cash Flow

17. The opening cash balance for the year was £4,083,825, including the separate HE student discretionary funding account. The position as at 31 October 2018 is an actual cash balance of £3,235,986 compared with a budgeted position of £3,149,706, giving a positive variance of £86,280.
18. The forecast cash balance at 31 July 2018 is a £3,169,251. This compares favourably with the budgeted position of £3,049,568.

Creditor Payments

19. We have revised our approach to reporting of creditor payments. The previous analysis of creditor payments was undertaken by sampling creditor payment runs.

The new approach, which we will continue to refine over the coming months, uses all creditor payment data to derive the percentage of invoices paid within 30 days. For the month of October 2018, 73% of creditor invoices were paid within 30 days. A chart setting out the monthly results over the past 5 months is appended.

Debtors Summary

20. Analysis of debtor's information shows that for October 2018, the total invoiced debt for the College is £543,041, a decrease of £194,068 on the July 2018 position of £737,109. Charts showing the above are appended to this report, on page 6 of the appendices. Debt recovery remains an ongoing challenge for the Finance team but the revised team structure places more focus on this debt control.

Comparable Monitoring Information from October 2017

There are 2 sets of figures included for comparison purposes. The first table is the income and expenditure figures from October 2017, which shows the forecast, budget and the variance. The second table shows the cash flow figures from October 2017, which again shows the forecast, budget and variance figures.

Inverness College

Income and Expenditure Report

£000

Year 2018/19

Month October

	Report	Para.	YTD			Year End		
			Actual	Budget	Variance	Forecast	Budget	Variance
Income								
Funding Council Grants	1	6	3,040	3,136	(96)	14,158	14,256	(98)
Unitary Charge	2	7	1,221	1,196	25	4,733	4,786	(53)
Student Support Funds	3		411	454	(43)	2,181	2,270	(89)
Tuition Fees	4	8	811	833	(22)	3,316	3,330	(14)
SDS Training Contracts	5	9	199	188	11	755	755	0
Other Income	6	10	631	539	92	2,271	2,209	62
Deferred Grant	7	11	81	81	0	321	321	0
			<u>6,394</u>	<u>6,427</u>	<u>(33)</u>	<u>27,735</u>	<u>27,927</u>	<u>(192)</u>
Expenditure								
Staff	8	12	3,508	3,569	61	15,262	15,516	254
Other Staff	9	12	57	51	(6)	273	245	(28)
Property	10		323	253	(70)	1,178	1,126	(52)
Unitary Charge	11	13	1,014	1,049	35	4,150	4,197	47
Transport	12		21	24	3	114	97	(17)
Supplies and Services	13	13	1,128	1,080	(48)	4,370	4,155	(215)
Student Support Funds	14		525	567	42	2,484	2,270	(214)
Depreciation	15		426	426	0	1,706	1,706	0
			<u>7,002</u>	<u>7,019</u>	<u>17</u>	<u>29,537</u>	<u>29,312</u>	<u>(225)</u>
Net Operational Surplus (Deficit)			<u>(608)</u>	<u>(592)</u>	<u>(16)</u>	<u>(1,802)</u>	<u>(1,385)</u>	<u>(417)</u>

Inverness College

Income and Expenditure Report

£000

Year 2018/19

Month October

Report Para.	Actual	Forecast	TOTAL	Budget	Variance	Movement since LM									
	OCT	NOV.	DEC	JAN	FEB	MARCH	APRIL	MAY	JUNE	JULY					
Income															
Grants	8	3,040	1,140	1,140	1,140	1,140	1,140	1,426	1,426	1,426	1,140	14,158	14,256	(98)	(98)
Unitary Charge Funding		1,221	390	390	390	390	390	390	390	391	391	4,733	4,786	(53)	(53)
Student Support Funds		411	200	214	159	76	379	229	231	241	41	2,181	2,270	(89)	(89)
Fees	9	811	250	250	268	289	310	280	300	308	250	3,316	3,330	(14)	(14)
SDS Training Contracts	10	199	64	68	30	69	38	69	80	69	69	755	755	0	0
Other Income	11	631	80	135	110	215	200	236	224	150	290	2,271	2,209	62	62
Deferred Grant		81	27	27	27	27	27	27	26	26	26	321	321	0	0
		6,394	2,151	2,224	2,124	2,206	2,484	2,657	2,677	2,611	2,207	27,735	27,927	(192)	(192)
Expenditure															
Staff	12	3,508	1,322	1,322	1,230	1,247	1,247	1,295	1,421	1,350	1,320	15,262	15,516	254	254
Other Staff	12	57	15	18	10	50	25	19	19	30	30	273	245	(28)	(28)
Property	13	323	101	81	82	102	120	79	45	115	130	1,178	1,126	(52)	(52)
Unitary Charge		1,014	348	348	348	348	348	348	348	350	350	4,150	4,197	47	47
Transport		21	12	10	11	12	8	12	11	12	5	114	97	(17)	(17)
Supplies and Services	13	1,128	310	363	264	380	250	373	407	450	445	4,370	4,155	(215)	(215)
Student Support Funds		525	200	350	231	262	226	210	200	259	21	2,484	2,270	(214)	(214)
Depreciation		426	142	142	142	142	142	142	142	143	143	1,706	1,706	0	0
		7,002	2,450	2,634	2,318	2,543	2,366	2,478	2,593	2,709	2,444	29,537	29,312	(225)	(225)
Net Operational Surplus (Deficit)															
		(608)	(299)	(410)	(194)	(337)	118	179	84	(98)	(237)	(1,802)	(1,385)	(417)	(417)
Net depn															
		(345)	(115)	(115)	(115)	(115)	(115)	(115)	(116)	(117)	(117)	(1,385)	(1,385)		

Inverness College

Cash Flow Analysis

£000

Year 2018/19

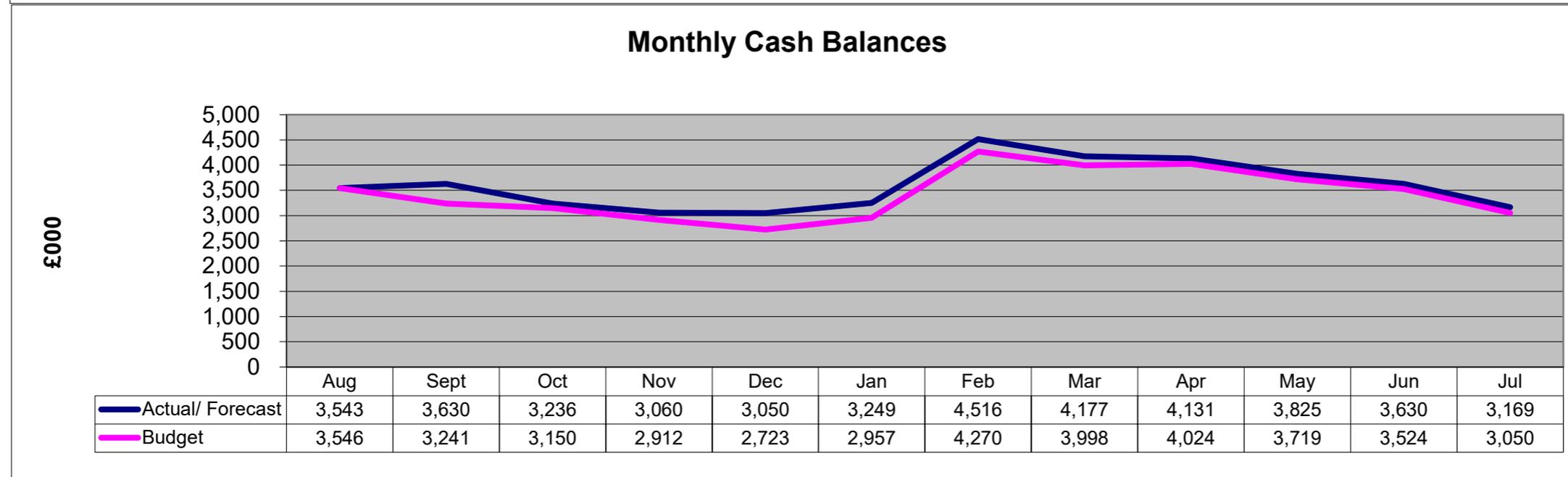
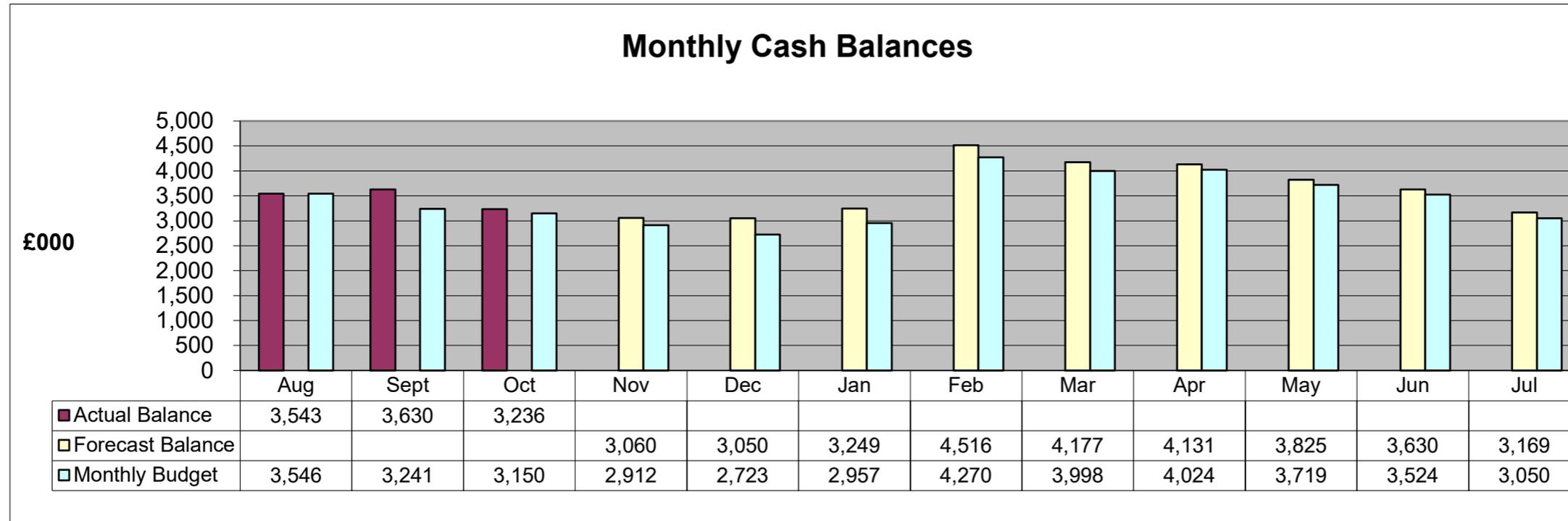
Month October

Report Para.	YTD			Year End		
	Actual	Budget	Variance	Forecast	Budget	Variance
Income						
SFC Funding	3,026,088	3,011,420	14,668	13,882,526	13,782,986	99,540
UHI HE Funding	1,084,430	1,205,744	(121,314)	4,962,345	5,083,659	(121,314)
Student Support Funds	441,000	441,000	0	2,180,954	2,180,954	-
Other Revenue Income	1,449,455	1,079,207	370,248	6,685,455	6,618,513	66,942
Other Capital Income	-	0	0	200,379	-	200,379
Foundation Revenue Income	48,160	92,000	(43,840)	92,000	92,000	-
Foundation Capital Income	-	-	0	-	-	-
EMA Funding	17,520	20,000	(2,480)	101,770	100,000	1,770
	<u>6,066,653</u>	<u>5,849,371</u>	<u>217,282</u>	<u>28,105,429</u>	<u>27,858,112</u>	<u>247,317</u>
Expenditure						
Salaries Total	3,542,294	3,595,144	52,850	15,472,294	15,525,144	52,850
Other operating expenditure	1,415,008	1,363,330	(51,678)	5,707,906	5,797,932	90,026
NPD unitary charges	1,270,470	1,312,597	42,127	5,070,766	5,100,842	30,076
EMA Student Maintenance	18,720	20,000	1,280	101,520	100,000	(1,520)
Student Support	510,733	431,754	(78,979)	2,342,533	2,307,786	(34,747)
SFC Capital - Land	0	-	0	-	-	-
SFC Capital - buildings	60,665	60,665	-	60,665	60,665	-
SFC Capital - fixtures and fittings	0	-	-	-	-	-
SFC Capital - ICT	14,668	-	(14,668)	63,940	-	(63,940)
Other capital expenditure	81,934	-	(81,934)	200,379	-	(200,379)
Surrender of proceeds	-	-	-	-	-	-
	<u>6,914,492</u>	<u>6,783,490</u>	<u>(131,002)</u>	<u>29,020,003</u>	<u>28,892,369</u>	<u>(127,634)</u>
Net Income (Expenditure)	<u>(847,839)</u>	<u>(934,119)</u>	<u>86,280</u>	<u>(914,574)</u>	<u>(1,034,257)</u>	<u>119,683</u>
Opening Bank Balance	4,083,825	4,083,825	-	4,083,825	4,083,825	-
Closing Bank Balance	<u>3,235,986</u>	<u>3,149,706</u>	<u>86,280</u>	<u>3,169,251</u>	<u>3,049,568</u>	<u>119,683</u>

17

Cashflow

Year 2018/19
Month October



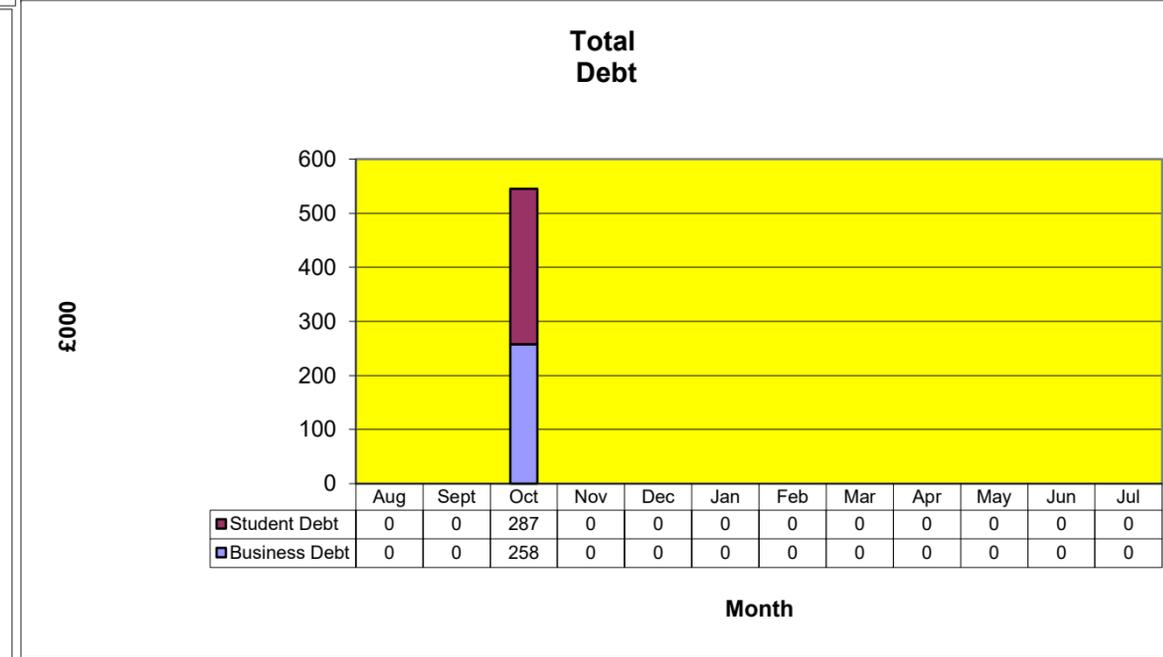
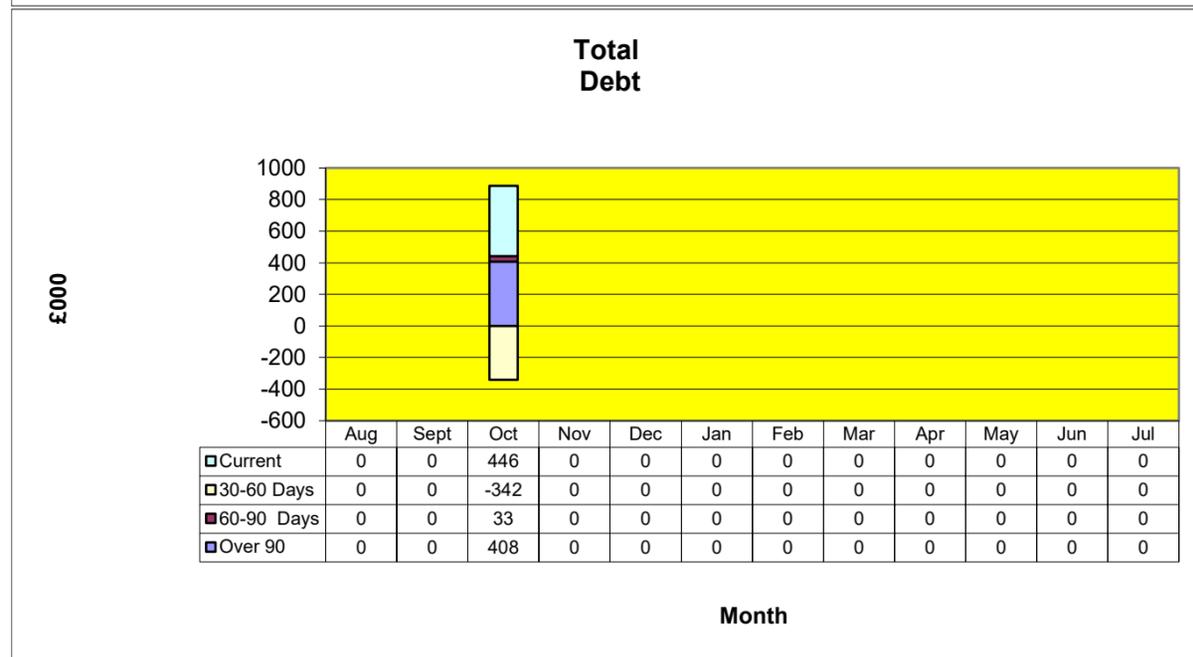
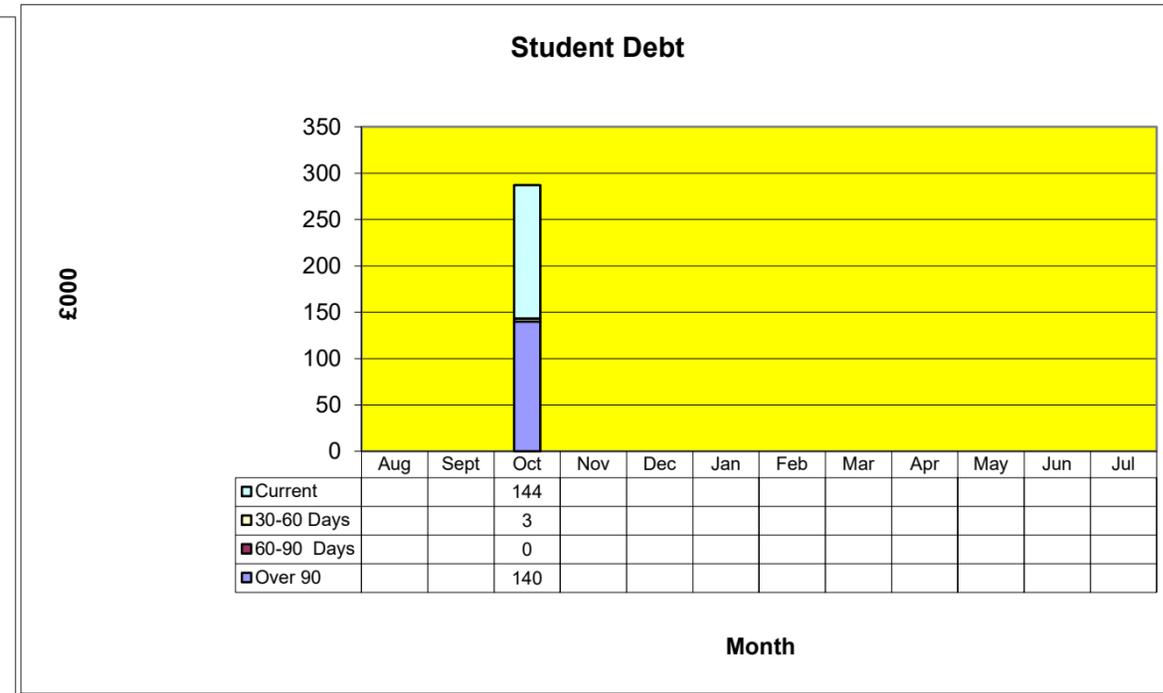
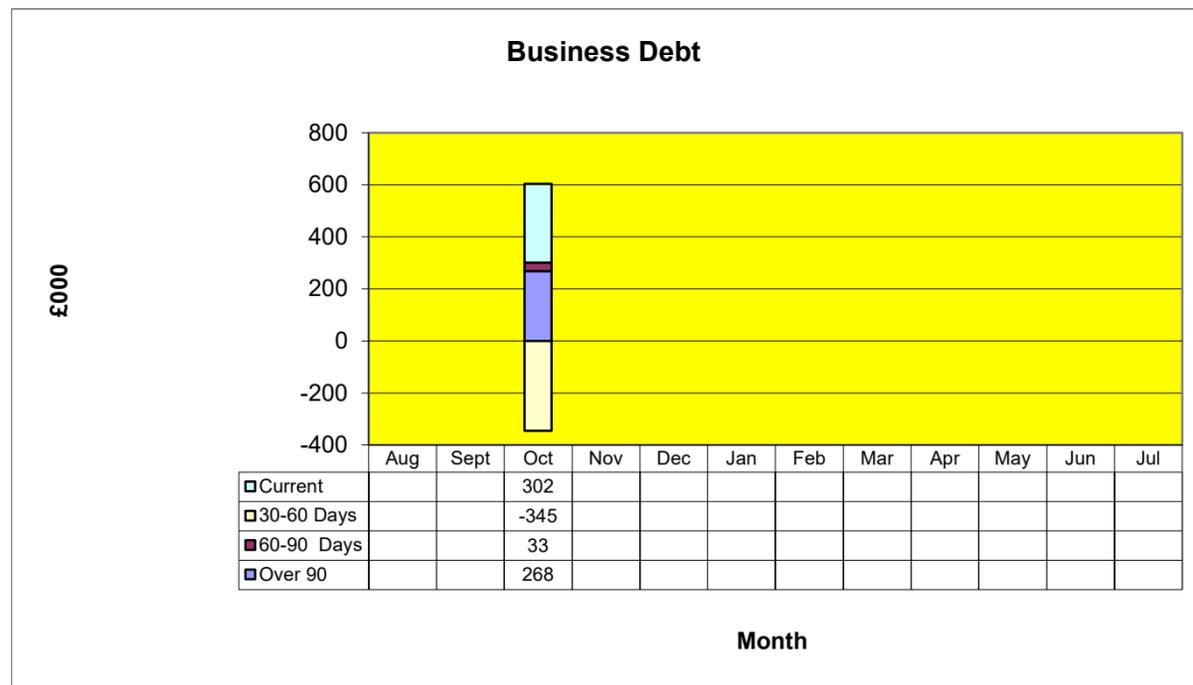
INVERNESS COLLEGE

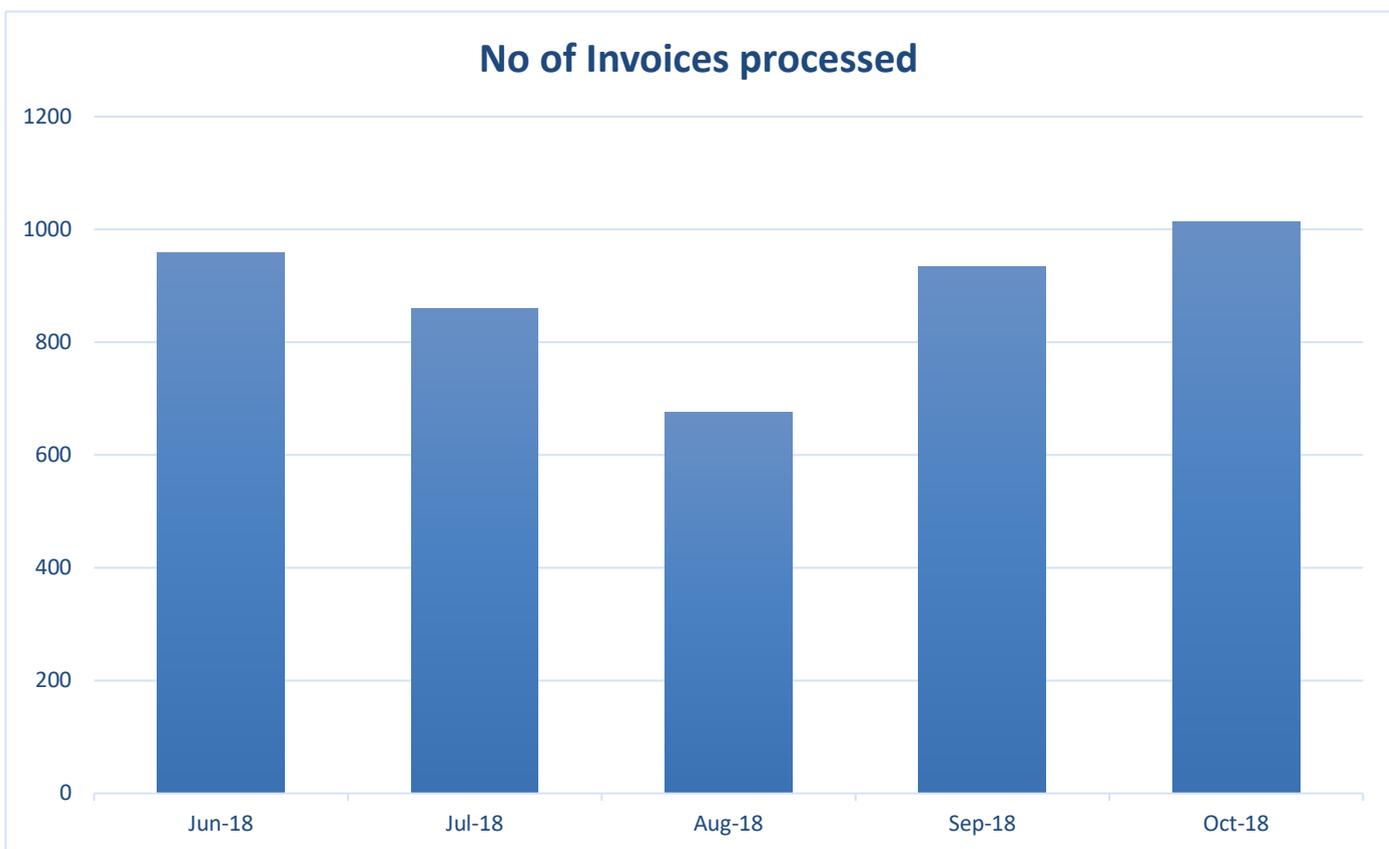
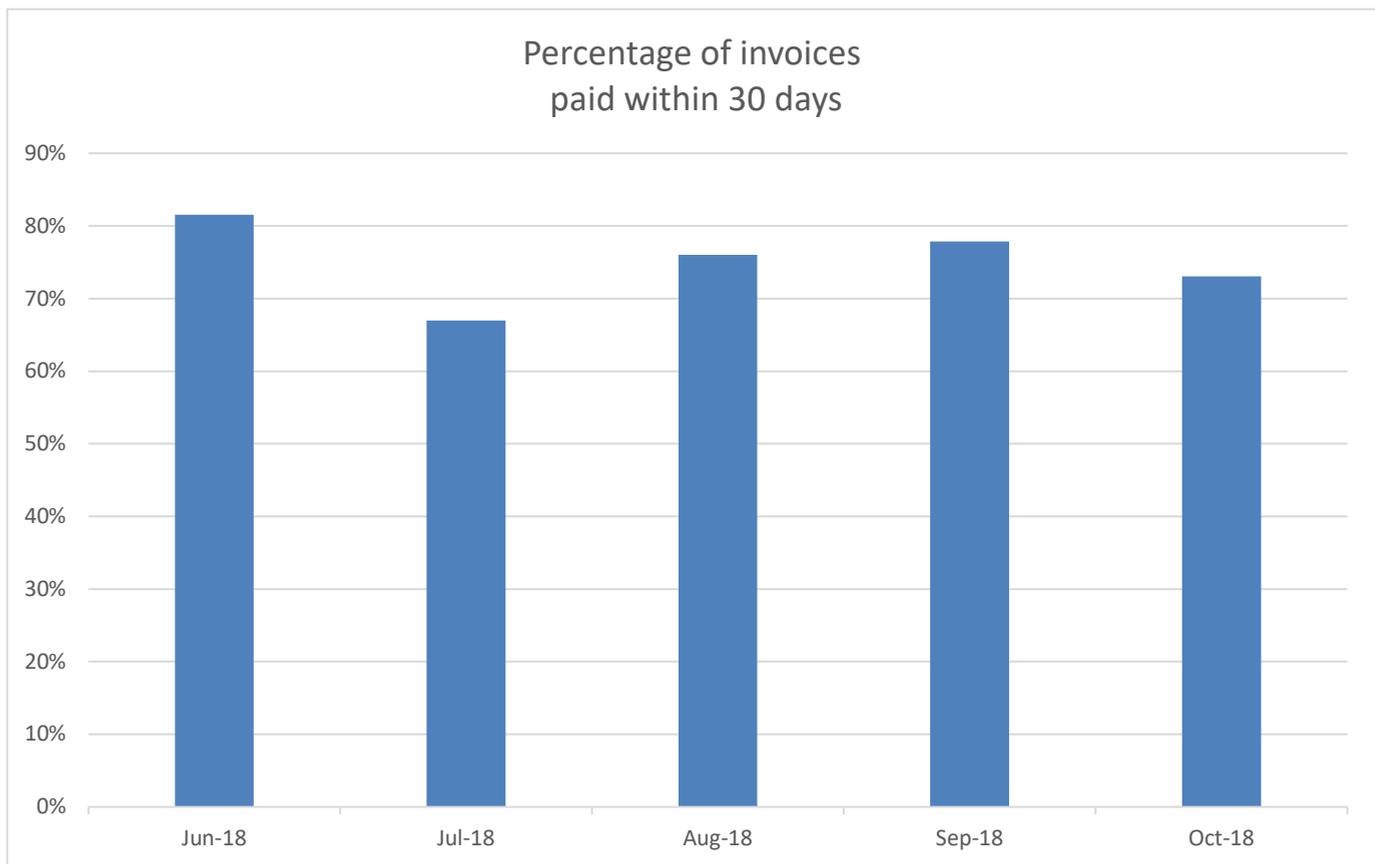
FORECAST CASH FLOW - 12 MONTHS - AUGUST 2017 TO JULY 2018

Report Para.	Actual AUGUST	Actual SEPT	Actual OCT	Forecast NOV.	Forecast DEC	Forecast JAN	Forecast FEB	Forecast MARCH	Forecast APRIL	Forecast MAY	Forecast JUNE	Forecast JULY	TOTAL	Budget	Variance	Movement since LM	
OPENING BALANCE	14	4,083,825	3,542,930	3,629,793	3,235,986	3,060,269	3,050,246	3,249,110	4,515,651	4,177,276	4,130,941	3,825,211	3,630,414	4,083,825	4,083,825	0	0
INCOME																	
SFC Funding		811,221	1,035,100	1,179,767	1,279,767	1,474,767	1,479,767	684,039	1,079,945	1,272,834	1,172,835	1,174,478	1,238,006	13,882,526	13,782,986	99,540	99,540
UHI HE Funding		354,523	354,523	375,384	405,169	405,169	504,998	413,469	413,469	606,290	514,761	514,761	99,829	4,962,345	5,083,659	(121,314)	(121,314)
Student Support Funds		100,000	158,000	183,000	200,000	150,000	187,363	200,000	200,000	250,000	250,000	250,000	52,591	2,180,954	2,180,954	0	0
Other Revenue Income		436,170	667,565	345,720	300,000	301,000	300,000	2,400,000	430,000	349,000	329,000	387,000	440,000	6,685,455	6,618,513	66,942	66,942
Other Capital Income		-	-	-	200,379	-	-	-	-	-	-	-	-	200,379	-	200,379	200,379
Foundation Revenue Income		-	48,160	-	-	-	-	43,840	-	-	-	-	-	92,000	92,000	0	0
Foundation Capital Income		-	-	-	-	-	-	-	-	-	-	-	-	0	-	0	0
EMA Funding		12,960	90	4,470	14,250	10,000	10,000	10,000	10,000	10,000	10,000	10,000	-	101,770	100,000	1,770	1,770
TOTAL INCOME		1,714,874	2,263,438	2,088,341	2,399,565	2,340,936	2,482,128	3,751,348	2,133,414	2,488,124	2,276,596	2,336,239	1,830,426	28,105,429	27,858,112	247,317	247,317
EXPENDITURE																	
Salaries Total		1,208,567	1,152,100	1,181,627	1,250,000	1,300,000	1,275,000	1,260,000	1,260,000	1,405,000	1,420,000	1,380,000	1,380,000	15,472,294	15,525,144	52,850	52,850
Other operating expenditure		471,632	372,623	570,753	534,010	344,024	332,485	540,945	551,950	468,804	508,590	523,290	488,800	5,707,906	5,797,932	90,026	90,026
NPD unitary charges		450,600	411,540	408,330	420,381	420,381	420,381	420,381	420,381	432,432	420,381	422,789	422,789	5,070,766	5,100,842	30,076	30,076
EMA Student Maintenance		-	4,470	14,250	14,000	10,000	10,000	10,000	8,800	10,000	10,000	10,000	-	101,520	100,000	(1,520)	(1,520)
Student Support		10,812	235,842	264,079	250,000	250,000	225,398	239,209	230,658	218,223	223,355	194,957	-	2,342,533	2,307,786	(34,747)	(34,747)
SFC Capital - Land		-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	0
SFC Capital - buildings		60,665	-	-	-	-	-	-	-	-	-	-	-	60,665	60,665	0	0
SFC Capital - fixtures and fittings		-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	0
SFC Capital - ICT		14,668	-	-	-	15,000	20,000	14,272	-	-	-	-	-	63,940	-	(63,940)	(63,940)
Other capital expenditure		38,825	-	43,109	106,891	11,554	-	-	-	-	-	-	-	200,379	-	(200,379)	(200,379)
Surrender of proceeds		-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	0
Bank Interest Payable		-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	0
TOTAL EXPENDITURE		2,255,769	2,176,575	2,482,148	2,575,282	2,350,959	2,283,264	2,484,807	2,471,789	2,534,459	2,582,326	2,531,036	2,291,589	29,020,003	28,892,369	(127,634)	72,745
Actual Monthly Movement		(540,895)	86,863	(393,807)	(175,717)	(10,023)	198,864	1,266,541	(338,375)	(46,335)	(305,730)	(194,797)	(461,163)	(914,574)	(1,034,257)	119,683	320,062
<i>Budget Monthly Movement</i>																	
CLOSING BALANCE		3,542,930	3,629,793	3,235,986	3,060,269	3,050,246	3,249,110	4,515,651	4,177,276	4,130,941	3,825,211	3,630,414	3,169,251	3,169,251	3,049,568	374,951	174,572
<i>Cumulative Budget position</i>																	

Debtors

Year 2018/19
Month October





Year 2017/18
 Month October 2017

Income and Expenditure Report

	Year End		
	Forecast	Budget	Variance
Income			
Grants	12,838	12,838	0
Unitary Charge	4,697	4,699	(2)
Student Support Funds	2,209	2,209	0
Fees	3,227	3,134	93
Project Funding	689	638	51
Other Income	2,186	2,171	15
Deferred Grant	753	753	0
	<u>26,599</u>	<u>26,442</u>	<u>157</u>
Expenditure			
Staff	14,251	14,246	(5)
Other Staff	211	196	(15)
Property	1,194	1,126	(68)
Unitary Charge	4,080	4,184	104
Transport	91	83	(8)
Supplies	3,731	3,644	(87)
Student Support Funds	2,232	2,209	(23)
Depreciation	1,836	1,836	0
	<u>27,626</u>	<u>27,524</u>	<u>(102)</u>
Net Operational Surplus (Deficit)	<u>(1,027)</u>	<u>(1,082)</u>	<u>55</u>

Cash Flow Analysis

	Year End		
	Forecast	Budget	Variance
Income			
Recurrent Grant In Aid	7,823	7,821	2
Other Grants	281	250	31
Unitary Charge Grant	4,698	4,693	5
UHI HE Grants	4,474	4,476	(2)
Fees & Charges	3,298	3,264	34
Student Support Funds	2,313	2,384	(71)
HE Discretionary Fund	70	70	0
EMA Funding	97	97	0
LEC Contracts	444	411	33
ESF Funds	63	63	0
Other Income	3,215	2,957	258
	<u>26,776</u>	<u>26,486</u>	<u>290</u>
Expenditure			
Staff	14,103	14,241	138
Pension Costs	96	96	0
Creditors	4,692	4,692	0
Unitary Charge payments	4,975	5,014	39
Student Support Funds	2,297	2,376	79
HE Discretionary Fund	70	70	0
EMA Student Maintenance	107	107	0
Inter Account Transfers	-	-	0

Other	1,103	1,118	15
	27,443	27,714	271
Net Income (Expenditure)	(667)	(1,228)	561
Opening Bank Balance	3,698	3,695	3
Closing Bank Balance	3,031	2,467	564

Board of Management

Subject/Title:	Capital Budget Monitoring Year to 31 March 2019
Author: [Name and Job title]	Fiona Mustarde, Director of Finance
Meeting:	Finance and General Purposes Committee
Meeting Date:	6 December 2018
Date Paper prepared:	30 November 2018
Brief Summary of the paper:	To update the committee on progress against the 2018/19 capital plan. The capital year runs from April to March.
Action requested: [Approval, recommendation, discussion, noting]	Discussion
Link to Strategy: Please highlight how the paper links to, or assists with:: <ul style="list-style-type: none"> • compliance • partnership services • risk management • strategic plan • new opportunity/change 	Compliance – adherence to the Financial Memorandum with UHI as RSB, Strategic plan – investment in buildings and equipment
Resource implications:	Yes Expenditure must be contained within the allocated capital budget from SFC/UHI. UHI capital can only be utilised on buildings.
Risk implications:	Yes If yes, please specify: Operational: spend level to be contained within budget, lack of investment has operational impacts Organisational: over/underspend could impact on future budget allocations
Equality and Diversity implications:	No If yes, please specify:
Consultation: [staff, students, UHI & Partners, External] and provide detail	N/A

Status – [Confidential/Non confidential]	Non confidential		
Freedom of Information Can this paper be included in “open” business* [Yes/No]	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.)			

Further guidance on application of the exclusions from Freedom of Information legislation is available via

<http://www.itspublicknowledge.info/ScottishPublicAuthorities/ScottishPublicAuthorities.asp> and

http://www.itspublicknowledge.info/web/FILES/Public_Interest_Test.pdf

Capital Expenditure Monitoring 2018/19 to October 2018

Executive summary

The committee is requested to discuss the capital expenditure monitoring for 2018/19.

Capital Grant Allocations 2018/19

The capital grant allocations for 2018/19 are shown in the table below.

Grant Funding	2017/18 Allocation
	£
FE Capital and Maintenance Grant	63,940
FE Backlog Maintenance (Balloch)	60,665
HE Capital Grant	200,379
Total Capital Grant	324,984

Expenditure	
ICT Equipment	63,940
Buildings	261,044
Total Planned Expenditure	324,984

The FE capital and maintenance grant funding total allocation to Inverness College UHI was £133,940 for 2018/19, a reduction on 2017/18 of £142,906. We allocated this as £70,000 for revenue maintenance and £63,940 for capital expenditure. The FE grant can be used for any items of capital expenditure. In addition, SFC allocated a further amount of £60,665 for backlog maintenance in relation to the estate at Balloch.

The HE capital allocation of £200,379 includes £12,968 of SFC/BIS capital funding which relates to research areas. The HE capital allocation can only be utilised for buildings infrastructure and is not available for spend on ICT or equipment.

The capital funding year runs from April to March and this applies to both FE and HE funding.

Position as at 31 October 2018

The table below shows the position as at 31 October 2018.

	2018/19 Allocation	Oct 2018 Position	Uncommitted
	£	£	£
ICT Equipment	63,940	-	-
Buildings	261,044	144,283	15,117
	324,984	144,283	15,117

The budget for ICT equipment has been fully allocated by the ICT Manager against equipment refresh requirements and will be spent in full by 31 March 2019.

The budget for buildings is £261,044 and relates to all building capital expenditure including any necessary adjustments to the new campus buildings. The project budget for the tractor shed refurbishment is £245,927, including VAT and contingency. This leaves a total of £15,117 uncommitted against the buildings capital. No decisions on further works will be made until the tractor shed project is completed and final costs known.

Board of Management

Subject/Title:	Finance System Status Update
Author: [Name and Job title]	Fiona Mustarde, Director of Finance
Meeting:	Finance and General Purposes Committee
Meeting Date:	6 December 2018
Date Paper prepared:	20 November 2018
Brief Summary of the paper:	To update the committee on the current status of the Finance System project and provide information on alternative options.
Action requested: [Approval, recommendation, discussion, noting]	Discussion
Link to Strategy: Please highlight how the paper links to, or assists with:: <ul style="list-style-type: none"> • compliance • partnership services • risk management • strategic plan • new opportunity/change 	Risk Management – ineffective systems increase the risk exposure of the College.
Resource implications:	Yes
Risk implications:	Yes If yes, please specify: Operational: Budgetary control adversely impacted through lack of sufficient management information. Organisational: Ineffective management of significant risks leading to adverse financial impacts
Equality and Diversity implications:	No
Consultation: [staff, students, UHI & Partners, External] and provide detail	N/A

Status – [Confidential/Non confidential]	Confidential		
Freedom of Information Can this paper be included in “open” business* [Yes/No]	No		
*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)	X	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.)			

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Board of Management

Subject/Title:	Audit Committee Evaluation Implementation Plan
Author: [Name and Job title]	Fiona Ambrose, Board Secretary
Meeting:	Finance and General Purposes Committee
Meeting Date:	6 December 2018
Date Paper prepared:	19 November 2018
Brief Summary of the paper:	An implementation plan has been developed following the Committee self evaluation exercise carried out earlier this year.
Action requested: [Approval, recommendation, discussion, noting]	It is recommended that the committee discuss the suggested actions and timescales set out in the implementation plan.
Link to Strategy: Please highlight how the paper links to, or assists with: <ul style="list-style-type: none"> • compliance • partnership services • risk management • strategic plan • new opportunity/change 	Compliance with Code of Good Governance for Scotland's Colleges. Providing assurance to the Board on the effectiveness of the committee's key responsibilities and thus mitigating risk.
Resource implications:	
Risk implications:	Yes/No Operational
Equality and Diversity implications:	N/A
Consultation: [staff, students, UHI & Partners, External] and provide detail	

Status – [Confidential/Non confidential]	Non-Confidential		
Freedom of Information Can this paper be included in “open” business* [Yes/No]	Yes		
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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.)			

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FINANCE AND GENERAL PURPOSES COMMITTEE SELF-EVALUATION – ACTION PLAN

	Issue	Action required	Responsible person	Timescale/ Comments
1	Is the role and purpose of the audit committee understood and accepted across the institution?	Prepare a brief introduction to the Board and the role of its committees and make this accessible to all staff and students through iConnect and MyDay internet portals.	Board Secretary	End January 2019
2	Are there any qualified accountants amongst the members?	Recruitment exercise to co-opt member(s) with relevant qualifications and skills	Board Secretary	End December 2018
3	Do the finance committee members have an understanding of the accounting policies in use in the institution	Continue to enhance the level of detail provided within committee reports. Accounting policies are laid out within the annual accounts.	Director of Finance	Ongoing
4	Do the committee members have confidence in the financial management of the institution Do the finance committee members receive costing information to support decision-making?	Continue to discuss the financial challenges and receive reports on the controls and mechanisms in place to control costs. Continue to enhance the information and level of detail provided within the F&GP papers As above	Director of Finance	Ongoing
5	Do the clerking arrangements for the committee ensure that members' time is used effectively? e.g. <ul style="list-style-type: none"> • is there a good reason for each item being on the agenda ? • Are all papers circulated sufficiently in advance (and none tabled ?) and distributed in sufficient time for members to give them due consideration • Do the reports prepared for the members make it clear what they are being asked to do/agree? 	Ensure that all papers are circulated timeously and that reports are clear in relation to the action required	Board Secretary / Report Authors	Ongoing
6	Is the finance committee aware of the responsibilities of the governing body in relation to value for money and how it impacts upon the decisions made by the finance committee? Is the committee aware of the audit committee's views on the institution's arrangements for securing value for money?	Consider annual VFM report in December and review answer thereafter As above	Board Secretary/Director of Finance	For March 2018 meeting
7	Is the role of the finance committee with regard to the financial statements compatible/clear/ consistent with that of the audit committee?	Chairs Committee to discuss this in the first instance	Board Secretary	Chairs Committee – February 2019
8	Has the committee evaluated whether and how it is adding value to the organisation?	Review this answer once actions from the evaluation exercise have been agreed	Board Secretary	Future Committee Meeting March 2019
9	Has the committee obtained feedback on its performance from those interacting with the committee or relying on its work?	Further discussion with the committee chair to determine what action is required.	Board Secretary/Director of Finance/Committee Chair	By end March 2019

Board of Management

Subject/Title:	Research Centres Finance Annual Report 2017/18
Author: [Name and Job title]	Alison Rodgers, Finance Manager
Meeting:	Finance and General Purposes Committee
Meeting Date:	6 December 2018
Date Paper prepared:	23 November 2018
Brief Summary of the paper:	To provide a summary for the Committee on the financial position of the Research area within the College
Action requested: [Approval, recommendation, discussion, noting]	Discussion
Link to Strategy: Please highlight how the paper links to, or assists with:: <ul style="list-style-type: none"> • compliance • partnership services • risk management • strategic plan • new opportunity/change 	Compliance – adherence to the Financial Memorandum with UHI as RSB, Strategic plan – investment New opportunity – growing research capacity
Resource implications:	Yes Expenditure must be contained within the allocated capital budget from SFC/UHI. UHI capital can only be utilised on buildings.
Risk implications:	Yes If yes, please specify: Operational: spend level to be contained within budget, lack of investment has operational impacts Organisational: lack of suitable investment could have adverse reputational impacts
Equality and Diversity implications:	No If yes, please specify:
Consultation: [staff, students, UHI & Partners, External] and provide detail	N/A

Status – [Confidential/Non confidential]	Non confidential		
Freedom of Information Can this paper be included in “open” business* [Yes/No]	Yes		
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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.)			

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Research Annual Finance Report 2017/18

Purpose of report

To update the Committee on the financial position relating to the research department for the period 1 August 2017 to 31 July 2018.

Background

Within the college there are various research projects and activities taking place. There is a long term strategic plan for research, which links into the development of the research and enterprise hub, as an integral part of the new campus building.

Research Projects – Financial Summary 2017/18

Table 1 below details total income & expenditure figures for the research area for 2017-18. These include the Centre for Remote & Rural Studies (CRRS), the Rivers and Lochs Institute, the Sustainable Energy & Micro Renewables (SEAM) Centre, Forestry research and the general research area managed by the Head of Research & Postgraduate Development. Table 2 provides prior year comparative figures

Table 1 – Financial Summary 2017/18

Period to 31 July 2018	Actual £	Phased Budget £	Variance £
<u>Income</u>			
SFC/UHI Grants	51,948	0	51,948
Project Funding	425,120	198,116	227,004
Other Income	45,156		45,156
Total Income	522,224	198,116	324,108
<u>Expenditure</u>			
Staff Costs	514,889	394,058	(120,831)
Non Staff Costs *	411,881	105,454	(306,427)
	926,770	499,512	(427,258)
Net Operational Surplus / (Investment)	(404,546)	(301,396)	(103,150)
Funding Received from ALF	97,137		97,137
Year-end Out-turn			(6,013)

* Non Staff Costs Actual includes £113,394 paid as Student Stipends

Table 2 – Prior Year Financial Summary 2016/17

Actual to 31 July 2017	Actual £	Budget £	Variance £
<u>Income</u>			
SFC/UHI Grants	47,953	0	47,953
Project Funding / Student Fees	350,277	198,116	152,161
	398,229	198,116	200,113
<u>Expenditure</u>			
Staff Costs	444,088	379,686	(64,402)
Non Staff Costs*	221,193	100,298	(120,895)
	665,281	479,984	(185,297)
Net Operational Investment	(267,052)	(281,868)	14,816

* Non Staff Costs Actual includes £75,001 paid as Student Stipends

Research Financial Summary

For the period to 31 July 2018, the research area had total income of £522,224, compared with total expenditure of £926,770 resulting in a net investment of £404,546. A sum of £92,137 was funded from the ALF, whilst the remainder is the investment made by the College.

In terms of expenditure, staff costs amounted to £514,889, with non-staff costs amounting to £411,811. This included £113,394 paid as student stipends.

Expenditure in 2017-18 has increased by 39% compared to the previous year whilst income has increased by 31%.

The growth in the research function provides a challenge in that this now requires specific support to ensure that applications for funding and the resulting project management and claims administration fully effective. A Research Development Facilitator (RDF) was appointed in October to provide this support as well as to work closely with finance colleagues. In terms of the latter, finance staff and the Head of Research are working to review processes with the aim of improving the quality and relevance of the financial information provided. This includes contract monitoring, and support for procurement, project costing and financial monitoring.

Board of Management

Subject/Title:	Estates and ICT Reporting, Finance and General Purposes Committee
Author: [Name and Job title]	Lindsay Ferries, Director of Organisational Development
Meeting:	Finance and General Purposes Committee
Meeting Date:	6 December 2018
Date Paper prepared:	30 November 2018
Brief Summary of the paper:	This paper proposes solutions and clarification to the reporting of ICT and Estates Matters in light of the relative terms of reference of established college committees and committee business
Action requested: [Approval, recommendation, discussion, noting]	discussion
Link to Strategy: Please highlight how the paper links to, or assists with:: <ul style="list-style-type: none"> • compliance • partnership services • risk management • strategic plan • new opportunity/change 	
Resource implications:	Yes / No If yes, please specify:
Risk implications:	Yes / No If yes, please specify: Operational: Organisational:
Equality and Diversity implications:	Yes/No If yes, please specify:
Consultation: [staff, students, UHI & Partners, External] and provide detail	

Status – [Confidential/Non confidential]	Non confidential		
Freedom of Information Can this paper be included in “open” business* [Yes/No]	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.)			

Further guidance on application of the exclusions from Freedom of Information legislation is available via

<http://www.itspublicknowledge.info/ScottishPublicAuthorities/ScottishPublicAuthorities.asp> and

http://www.itspublicknowledge.info/web/FILES/Public_Interest_Test.pdf

Estates and ICT Reporting

Executive summary

There are four Committees currently that deal with business relating to Estates Matters:

1. Audit Committee receive a report on a quarterly basis regarding FM contractor performance, more recently this has also been referenced through the risk register.
2. Finance and General Purposes Committee receive the same FM contractor Report that also include further Campus Matters more recently including demolition of Longman.
3. New Campus Board are the decision making body for New Campus matters that are also reflected in the papers for discussion/noting at the Audit and F and GP.
4. Longman Disposal Board are the decision making body for Longman disposal matters which are also reflected in papers to the F and GP for noting.

I do have concerns given the duplication of information that the clarity around the governance responsibility for these areas is lost or falls between the business of the standing committees and the specialist focussed committees.

This is similar for ICT matters which are reported to the Audit Committee and the Finance and General Purposes Committee.

Audit Committee Terms of Reference

Membership

Not less than 5 members of the Board of Management.

At least one member of the Committee should have recent and relevant experience in finance, accounting or auditing.

Board members not eligible for appointment are the Chair of the Board, the Principal, members elected by the teaching and non-teaching staff of the college and the persons appointed by the Students Association.

No member of the Finance and General Purposes Committee shall also be a member of the Audit Committee

The Chair of the Board and the Principal may be invited to attend meetings

Membership of the Committee should satisfy the requirements of the SFC Code of Audit Practice, and / or other appropriate guidance, as may be directed by the Board of Management.

Quorum

Three members of the Committee entitled to vote upon the items before the meeting.

Frequency of Meetings

The Committee will meet no less than four times each year.

Remit

The Committee's remit is to review and monitor the following aspects of the College's operations, and to advise the Board appropriately on :

1. The comprehensiveness, reliability and integrity of assurance of the governance and management of the College.
2. The comprehensiveness, reliability and integrity of assurance of the risk management and business continuity of the College.
3. The comprehensiveness, reliability and integrity of the College's financial management and other internal control and management systems.
4. The effectiveness of arrangements for safeguarding the assets of the College and the public funds at its disposal.
5. The economy, efficiency and effectiveness of the College's activities, including value for money.
6. The effectiveness of the corporate governance and conduct of the College operations.
7. All aspects of the provision of an effective Internal audit service.
8. All aspects of the provision of an effective External audit service

9. The effective provision of Health and Safety arrangements to meet all legislative requirements
10. Public interest disclosure (whistle-blowing) arrangements.
11. Data Protection and Freedom of Information arrangements

Specifically, the Audit Committee shall:

1. Receive updates to and review the contents of the risk register maintained by the College.
2. Review the reports submitted by the College's Internal Auditors and receive progress reports from College Management on the Internal Audit recommendations.
3. Jointly with the Board's Finance and General Purposes Committee review the annual report of the College's external auditors and the associated College financial statements on which that report is based
4. Prepare an annual report for the Board of Management
5. Sit privately without any non-members present for all or part of the meeting if it so decides. The Committee will meet privately with the internal and external auditors at least annually.
6. The Audit Committee shall conduct its business in accordance with the requirements of any guidance and/ or codes of practice issued from time to time by the SFC and/ or any other relevant statutory or regulatory authority, as directed by the Board of Management.

Finance and General Purposes Committee - Terms of Reference

Membership

Not less than five Members of the board of Management including the Chair and Principal who are members *ex officio*.

Quorum

Three members of the Committee entitled to vote upon the items before the meeting.

Frequency of Meetings

The Committee shall meet no less than four times each year.

Remit

The Committee has overall responsibility (within the Financial Memorandum between the College and the Regional Strategic Body) for the direction and oversight of the College's financial affairs.

The Committee has responsibility for the College's existing buildings and estates.

The Finance and General Purposes Committee shall:

1. Monitor the financial position of the college and report to the Board on any necessary action
2. To receive and consider information on non core grant supported activity including international student and business development activities
3. Keep the College Financial Regulations under review.
4. Review, approve and monitor the implementation of the College's finance and estates strategies and associated plans, and to submit appropriate reports and recommendations to the Board.
5. Review the effectiveness of financial management and controls within the College.
6. Receive and approve the annual revenue and capital budgets and final accounts for recommendation to the Board.
7. Make recommendations to the Board regarding the level of tuition fees and other charges.
8. Approve the write-off of bad debts in accordance with the limits set in the Scheme of Delegation.
9. Consider, and contribute to, the overall risk management strategy of the college.
10. Ensure compliance with relevant College policies and financial statutory and regulatory requirements;
11. Consider and report on Shared Services in so far as they relate to the provision of such services under the remit of this committee
12. Consider and report on issues of procurement giving consideration to value for money

13. Consider and recommend to the Board on all matters relating to the operation of the Arms Length Foundation
14. Ensure that the college's existing buildings and estates are fit for purpose and are maintained to an appropriate standard, meeting all relevant regulatory requirements
15. Consider and report on any other financial matters which the Board may delegate or refer from time to time.

Longman Disposal Project Board –Terms of Reference

The Project Board shall continue to conduct business only for so long as is considered necessary after the project has been completed and a post implementation review is provided and reported to the Board of Management.

Membership

Chair of the Board of Management (Chair)

Principal (Project Sponsor)

Five other Board members*

Chief Operating Officer and Secretary of UHI

*To include one member from the Audit Committee and one member from the Finance and General Purposes Committee

Quorum

Three members entitled to vote upon the items before the meeting.

Frequency of Meetings

The Project Board shall meet not less than four times per year and in accordance with business requirements and the project deliverables.

Reporting

The Project Board will provide regular progress reports on the Project to the Audit Committee and Finance and General Purposes Committee as required.

Remit

The Project Board will monitor progress on the Project on behalf of the Board of Management, provide advice and support to the Project Steering Group as required and make decisions within the Project Board's delegated authority.

Responsibilities

- Overseeing the progress of the Project on behalf of the Board of Management. The Project Board will operate in an advisory capacity and concern itself with the efficient and effective management and organisation of the Project.
- Maintain visible and sustained strategic commitment to the delivery of the Project.
- Appoint the Project Sponsor and approve the key appointments to the Project Team.
- Review reports from the Project Steering Group and Project Manager.
- Maintain oversight of the implementation of the Disposal Strategy for the Longman Road site, including any demolitions prior to marketing.
- Ensure that communication and consultation strategies are in place for the Project.
- Monitor the risk register established for the Project.
- Monitor regular budget reports.
To consider any necessary changes to the Project and make recommendations to the Board of Management. In particular, at each approval stage, evaluate the proposed strategy and related actions to ensure that it is

satisfied that risks associated with the Project are being managed effectively and that the Project meets the objective of disposing of the site in a manner that seeks to minimise timescale and maximises receipts. In the event that any review identifies serious deficiencies, risks, difficulties or budget concerns in respect of the Project, the Project Board shall determine the appropriate means of addressing and remedying such serious deficiencies, difficulties or budget concerns.

- Ensure that a post-implementation review is provided and reported to the Board of Management.

Delegated Authority

The Project Board shall have authority to make commitments on behalf of the Board of Management, including but not limited to matters that have received Board approval in principle.

This would include specifically, but not exclusively:

- Confirmation of any demolitions required prior to marketing the site.
- Selection of a preferred bidder following marketing of the site.
- Conclude any contracts of sale or purchase as previously approved by the Board.
- Review and scrutinise the performance of each of: the Project Sponsor; the Project Manager; and the Project Team against their respective responsibilities all as set out in the Project Implementation Plan. In the event that the Project Board considers that: the Project Sponsor; the Project Manager; and/or the Project Team have failed to meet any such responsibilities, the Project Board shall determine the appropriate means of addressing and remedying such failure.

New Campus Project Board – Terms of Reference

New Campus Project Board shall continue to conduct business only for so long as is considered necessary after the project has been completed and a post implementation review is provided and reported to the Board of Management.

Membership

Chair of the Board of Management

(Chair) Principal (Project Owner)

Five other Board

members*

Secretary of UHI

*To include one member from the Audit Committee and one member from the Finance and General Purposes Committee

Quorum

Three members entitled to vote upon the items before the meeting.

Frequency of Meetings

The Project Board shall meet not less than four times per year and in accordance with business requirements.

Reporting

The Project Board will provide regular progress reports on the Project to the Audit Committee and Finance and General Purposes Committee as required.

Remit

The New Campus Project Board will monitor progress on the Project on behalf of the Board of Management, provide advice and support to the Project Steering Group as required and make decisions within the Project Board's delegated authority.

Responsibilities

- Overseeing the progress of the Project on behalf of the Board of Management. The Project Board will operate in an advisory capacity and concern itself with the efficient and effective management and organisation of the Project.
- Maintain visible and sustained strategic commitment to the delivery of the Project.
- Appoint the Project Sponsor and approve the key appointments to the Project Team.
- Review reports from the Project Steering Group and Project Manager.
- Oversight of the implementation of the Estates Strategy as it relates to the new campus development.
- Ensure that communication and consultation strategies are in place for the Project.
- Monitor the risk register established for the Project.
- Monitor regular budget reports.
- To consider any necessary changes to the Project and make

recommendations to the Board of Management.

- At each approval gateway, evaluate the business case and investment proposals to ensure that it is satisfied that risks associated with the Project are being managed effectively and that the Project remains affordable. In the event that any gateway review identifies serious deficiencies, difficulties or budget concerns in respect of the Project, the Project Board shall determine the appropriate means of addressing and remedying such serious deficiencies, difficulties or budget concerns.
- Review and scrutinise the performance of each of: the Project Steering Group; the Project Sponsor; the Project Manager; and the Project Team against their respective responsibilities all as set out in the Project Implementation Plan. In the event that the Project Board considers that: the Project Steering Group; the Project Sponsor; the Project Manager; and/or the Project Team have failed to meet any such responsibilities, the Project Board shall determine the appropriate means of addressing and remedying such failure.
- Ensure that a post-implementation review is provided and reported to the Board of Management.

Delegated Authority

The Project Board shall have authority to make commitments on behalf of the Board of Management, including matters that have received Board approval in principle.

This would include specifically, but not exclusively:

- Conclude any contracts of sale or purchase as previously approved by the Board.
- Post the approval of Stage D design, approve any changes that do not fundamentally change the design concept or result in an aggregated potential capital cost over-run compared to Scottish Government NPD Capital cap of more than £100,000 (any such over-runs to be funded from non NPD sources). The cumulative impact of any such changes to be reported to the Board of Management.
- Post the approval of Stage D design, approve any changes that do not fundamentally change the design concept or result in an aggregated potential cost over-run of more than £100,000. The cumulative impact of any such changes to be reported to the Board of Management.

Board of Management

Subject/Title:	Governance NPD Contract
Author: [Name and Job title]	Lindsay Ferries, Director of Organisational Development
Meeting:	Finance and General Purposes Committee
Meeting Date:	6 December 2018
Date Paper prepared:	30 November 2018
Brief Summary of the paper:	Detailed Analysis of NPD Contract Issues
Action requested: [Approval, recommendation, discussion, noting]	Noting
Link to Strategy: Please highlight how the paper links to, or assists with:: <ul style="list-style-type: none"> • compliance • partnership services • risk management • strategic plan • new opportunity/change 	
Resource implications:	Yes / No If yes, please specify:
Risk implications:	Yes / No If yes, please specify: Operational: Organisational:
Equality and Diversity implications:	Yes/No If yes, please specify:
Consultation: [staff, students, UHI & Partners, External] and provide detail	

Status – [Confidential/Non confidential]	Confidential		
Freedom of Information Can this paper be included in “open” business* [Yes/No]	No		
*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)	X	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.)			

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http://www.itspublicknowledge.info/web/FILES/Public_Interest_Test.pdf

Board of Management

Subject/Title:	Campus Services Report
Author: [Name and Job title]	Lindsay Ferries, Director of Organisational Development
Meeting:	Finance and General Purposes Committee
Meeting Date:	6 December 2018
Date Paper prepared:	30 November 2018
Brief Summary of the paper:	Developments over the last quarter in relation to campus matters.
Action requested: [Approval, recommendation, discussion, noting]	Noting
Link to Strategy: Please highlight how the paper links to, or assists with:: <ul style="list-style-type: none"> • compliance • partnership services • risk management • strategic plan • new opportunity/change 	
Resource implications:	Yes / No If yes, please specify:
Risk implications:	Yes / No If yes, please specify: Operational: Organisational:
Equality and Diversity implications:	Yes/No If yes, please specify:
Consultation: [staff, students, UHI & Partners, External] and provide detail	

Status – [Confidential/Non confidential]	Non confidential		
Freedom of Information Can this paper be included in “open” business* [Yes/No]	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.)			

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Campus Services Report

Key developments:

Carbon Management Plan

The UK government through Kyoto commitments has identified the public sector as a key stakeholder group in delivering carbon reduction across the UK. The Carbon Management programme is designed in response to this. It assists organisations in saving money on energy and putting it to good use in other areas, whilst making a positive contribution to the environment by lowering overall carbon emissions. The Carbon Trust are very proud to support Inverness College in our on-going implementation of the carbon management plan

Current Live Projects

Energy management Plan.

The college loadings on gas and electricity have been reviewed and actions that could be implemented to reduce carbon foot print. The following actions have progressed and are being reviewed by the Campus Technical team:.

Actions:

- Gas loading - review of gas use within all facilities. On review it was identified that our largest gas user was the main campus BMS system.
 - Frost protection system override of BMS system – System reconfigured to reduce override on cold mornings implemented date: April 2018
- Atrium underfloor heating switch off during summer months. June – Oct 2018
- Atrium rotary door maintained in winter mode all year, draft reduction - Nov 2017
- Goods inwards door management - Target date Dec 2018 Estates
- Room management – Blind being closed to prevent heat build-up in south facing rooms. – May 2018.
- Biomass loading at Scottish School of Forestry (SSF). Biomass system switch off during summer outage to reduce energy and chip consumption. June – Sep 2018
- Review of SSF chip quality to determine if GTFM can utilise more efficient chip technology – Target Date Feb 2019 GTFM.
- Review of college heating management systems within SSF outbuildings – Target April 2019 GTFM.
- Compressed air – System usage review, compressed air surveys – GTFM.
 - SSF boot clean compressor switch off, at night and summer – June – Sept 2018
 - Campus main compressor planned switch off during summer outage June – Sep 2018.
- Lighting LED replacement campaign in carpark – On going GTFM
- Window closing, roller door closing procedures – Oct 2017
- Joinery extraction speed reduction – Target Date Feb 2019 GTFM.

- Building Management System Planned Preventative Maintenance efficiency review July 2018.
- Lighting management switch off policy – July 2017
- PC management policy – July 2017
- Longman electrical supply capability reduction – May 2018

The Campus and Estates Manager and FM provider undertake a weekly site audit to monitor compliance and other opportunities. All actions are added to Estates/FM HelpDesk or Campus Technical meeting.

Waste Management

In July 2018 a new waste reduction initiative was launched to improve waste management. Our target by 2020, is to reduce personal waste by 10% for every student and staff member as well as achieving 95% waste recycling.

Actions:

- Procurement of new waste management provider achieved. Northern recycling are now actively working in partnership with us on waste reduction initiatives
- Green week waste awareness – complete, atrium display to raise awareness including involvement form students - Oct 2018.
- Waste stream mapping within facilities complete - Sept- Oct 2018, all catering utensils, bowls cups etc made from fully compostable materials.
- New segregation equipment and new waste recycling stations at all canteens – complete Sept 2018.
- Working with local campaign groups to look at alternative waste management systems for example, 'Drastic Plastic' - Nov 2018.
- Developing awareness within the campus through initiatives such as Recycle art, poster competitions, Love Food Hate Waste workshops.
- UHI Environmental & Sustainability Group – Student led working group with an aim to support the improvement in environmental sustainability and therefore lessening the environmental impact of the University and its Academic Partners. It will serve as a forum to help develop understanding, identify opportunities for improvement and explore how best to engage students and staff to promote more sustainable behaviours and practice. Current focus of this group is paper reduction within UHI. The next meeting of the group is scheduled in January 2019

Capital Projects and Carbon Management

In 2018/19 academic year the key capital project is the refurbishment of Scottish School of Forestry tractor shed. The objective is to reconfigure this poor energy efficient tractor shed into a more useful energy efficient space that could be utilised for academic activities in-line with current curriculum expansion plans. This entailed the removal of asbestos sheeting and old lighting systems. Installation of insulated cladding to roof and all walls, replacement of old steel door to insulated large tractor door with integrated pedestrian door. New inferred heating and low energy lighting installed with occupancy sensors. Subject to completion certification, this space will be available to undertake academic

studies that will combine our forestry sustainability projects and construction academic studies.

We have a number of preparation projects also running to establish feasibility and costings for future modifications of both sites to maximise class sizes and flexibility as the college curriculum changes in future years.

Contract Management - GTFM

On review of current performance of GTFM our Hard FM provider we identified a number of opportunities for improvement. The college has been using finance pressure to focus GTFM to provide a contract compliant service to the college in line with the expected standards. This has been effective in speeding up responses to reactive maintenance and closing off of helpdesk tickets.

This focus is on the following areas:-

- PPM statutory inspection Audits.
An Initial audit was undertaken by the college in December 2017. With 2 follow up audits required to confirm that all statutory inspections and maintenance requirements were being undertaken. The initial audit system highlighted a number of failures with general preventative maintenance not being completed, poor or no schedules. GTFM have now updated all their PPMs and will be subject to independent audit by GTEIL in July.
A joint weekly PPM audit is carried out every Friday to ensure ongoing compliance.
- Weekly joint site inspections. – Campus inspection.
- Long Term issues – Are now being addressed under the monthly Campus Technical meeting. Good progress has been made on a number of issues such as room temperature control and high water temperatures.

Contract Management – Soft FM

Soft FM contracts are issued and managed by the estates campus team. The estates team have worked closely with the procurement team to align ongoing contractors to the national framework agreements. This has given a much more consistent approach:-

- Cleaning contract. Monthly contractor meetings were re-introduced and new contract audits has been undertaken by the contractor. This approach gives the college clear evidence of contractor performance monitoring. Contractor has introduced a number of changes to work zones and staff rotation following these reviews. Customer satisfaction surveys have also been launched to obtain the voice of the customers. Action plans have been drawn up to improve any shortfalls. Following these improvements the current contract holder has been rewarded a contract extension of one year.
- Catering and hair & beauty Group 2 equipment PPM contracts have been established. This has brought a number of separate companies undertaking corrective and preventative maintenance to a single source. PPM schedules have been agreed and monthly review meeting planned.
- Winter Gritting and snow clearing set up in October 2017. This went well with good communication systems set up over the winter period. Some initial issues were

addressed quickly by the contractor. A wash up meeting is planned at the end of May to review performances and any lessons learned to be built into the 2nd contract year.

- Waste management and PAT testing contracts are now ready for awarding following framework contract procedures.

All other soft FM including grounds maintenance is undertaken in house.

College HelpDesk Development

The estates service desk portal was introduced in August 2017. This has been a significant development in capturing helpdesk requests and follow through back to the customer. All Estates requests can now be monitored to look at completion rates, duration ticket are open and prioritised.

Improvements include:-

- Tickets can now be assigned to individual officers.
- Weekly schedule is now being drawn up with time allocations.
- Customer is informed of any updates to their ticket.

Next stage of development includes working with ICT and a number of other members of UHI to develop a new help desk system. This will allow better planning of PPM and customer support tasks.

Estates PM Schedule

Thought the year the Estates officers have been undertaking more PM inspections for group 2 assets and the nursery and eblock at the SSF. All safety inspections have been scheduled for the summer recess as they are primarily being undertaken by external contract due to specialist skills.

Team Development

On review of the department in October 2017 we identified a number of areas to work on to improve our service. By using the new mission statement we have identified the following areas.

- Planning
- Helpdesk management
- Contract Management
- Communication

The first three have already been covered within the paper. The fourth communication is a key aspect of how the estates team moving forward at all levels.

- SMT – I have taken the opportunity within the Operational Management Group meeting to update estates progress with Capital plans, helpdesk changes and GTFM performance.
- GTFM / IC Monthly meeting were focussed on ongoing GTFM failures. The meeting has been developed so GTFM progress is charted on completion rates. IC are now presenting more detail on Projects, helpdesk performance and contract management.
- Weekly planning meeting have been established where PM, Events and helpdesk task are assigned and a schedule developed.

- The weekly inspections between GTFM and the campus team has given an opportunity for feedback on particular tasks. But more importantly it is being used for setting standards by both teams.
- Standard Operating Procedures are in development to ensure clarity and consistency.

In Summary

We continue to work hard with our FM provider and cleaning contractors to ensure the optimum hard maintenance and soft servicing of our premises. Contract compliance is now moving to a position of contract performance and we are seeing green shoots of improvement. This recognised through a reduced number of reactive helpdesk requests and quicker turnaround times.

Board of Management

Subject/Title:	ICT Services Report
Author: [Name and Job title]	Martin Robinson – ICT Services Manager
Meeting:	Finance and General Purposes Committee
Meeting Date:	6 December 2018
Date Paper prepared:	30 th November 2018
Brief Summary of the paper:	To provide an overview of active ICT including: * Cyber Resilience * UHI Wi-Fi * UHI Finance System Project * VLE Review * Helpesk Software Replacement * ICT service review.
Action requested: [Approval, recommendation, discussion, noting]	Noting
Link to Strategy: Please highlight how the paper links to, or assists with: <ul style="list-style-type: none"> • compliance • partnership services • risk management • strategic plan • new opportunity/change 	To ensure that our practice is aligned with national, sector and/or industry recognised standards and best practice, and to our values and commitments
Resource implications:	No
Risk implications:	No
Equality and Diversity implications:	No
Consultation: [staff, students, UHI & Partners, External] and provide detail	N/A

Status – [Confidential/Non confidential]	See section on ICT Project – Commercial in Confidence ICT Service Review		
Freedom of Information Can this paper be included in “open” business* [Yes/No]	No		
*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)	x	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.)	Until the matters described are approved or resolved		

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http://www.itspublicknowledge.info/web/FILES/Public_Interest_Test.pdf

Board of Management

Subject/Title:	Debt Write Off Report
Author: [Name and Job title]	Fiona Mustarde, Director of Finance
Meeting:	Finance and General Purposes Committee
Meeting Date:	6 December 2018
Date Paper prepared:	30 November 2018
Brief Summary of the paper:	To provide the committee with details of the proposed debts to be written off under the delegated authority of the Principal.
Action requested: [Approval, recommendation, discussion, noting]	Noting
Link to Strategy: Please highlight how the paper links to, or assists with:: <ul style="list-style-type: none"> • compliance • partnership services • risk management • strategic plan • new opportunity/change 	Compliance – adherence to the Financial Memorandum with UHI as RSB, Risk – ensuring that the College recovers all monies due
Resource implications:	Yes Cash
Risk implications:	Yes If yes, please specify: Operational: impact on cash position Organisational:
Equality and Diversity implications:	No If yes, please specify:
Consultation: [staff, students, UHI & Partners, External] and provide detail	N/A

Status – [Confidential/Non confidential]	Non confidential		
Freedom of Information Can this paper be included in “open” business* [Yes/No]	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.)			

Further guidance on application of the exclusions from Freedom of Information legislation is available via

<http://www.itspublicknowledge.info/ScottishPublicAuthorities/ScottishPublicAuthorities.asp> and

http://www.itspublicknowledge.info/web/FILES/Public_Interest_Test.pdf

Debt Write Off as at November 2018

Executive summary

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.

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 £5,124.85 and they relate to tuition fees, reclaim of overpaid bursary, nursery fees and library charges, 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 2017/18 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 NOVEMBER 2018

INVOICE DATE	INVOICE NO	AGE OF DEBT - DAYS	BALANCE	TYPE OF DEBT	COLLEGE STATUS	FURTHER INFORMATION
25/05/2016	348491	919	£ 152.20	BURSARY	COLLECTION ACTIVITY EXHAUSTED	
01/11/2016	349055	759	£ 587.70	BURSARY	COLLECTION ACTIVITY EXHAUSTED	
06/10/2016	348916	785	£ 422.00	NURSERY	REPORTED BANKRUPT	
28/10/2016	349014	763	£ 312.00	NURSERY	REPORTED BANKRUPT	
08/11/2016	349130	752	£ 312.00	NURSERY	REPORTED BANKRUPT	
09/12/2016	349325	721	£ 215.00	NURSERY	REPORTED BANKRUPT	
17/01/2017	349453	682	£ 274.00	NURSERY	REPORTED BANKRUPT	
07/02/2017	349591	661	£ 312.00	NURSERY	REPORTED BANKRUPT	
06/03/2017	349755	634	£ 312.00	NURSERY	REPORTED BANKRUPT	
06/04/2017	349929	603	£ 156.00	NURSERY	REPORTED BANKRUPT	
12/05/2017	350093	567	£ 390.00	NURSERY	REPORTED BANKRUPT	
23/06/2017	350284	525	£ 156.00	NURSERY	REPORTED BANKRUPT	
29/11/2017	350904	366	£ 6.00	BOOKS	NOT FINANCIALLY VIABLE TO SEND TO DEBT COLLECTOR	REMAINING BALANCE ONLY
10/11/2017	350783	385	£ 32.99	BOOKS	NOT FINANCIALLY VIABLE TO SEND TO DEBT COLLECTOR	
20/11/2017	350864	375	£ 46.99	BOOKS	NOT FINANCIALLY VIABLE TO SEND TO DEBT COLLECTOR	
28/07/2017	350409	490	£ 26.99	BOOKS	NOT FINANCIALLY VIABLE TO SEND TO DEBT COLLECTOR	
20/11/2017	350860	375	£ 62.98	BOOKS	NOT FINANCIALLY VIABLE TO SEND TO DEBT COLLECTOR	
15/11/2016	14012260-002	745	£ 50.00	TUITION FEE	NOT FINANCIALLY VIABLE TO SEND TO DEBT COLLECTOR	WITHDRAWAL CHARGE
19/12/2017	15024888-001	346	£ 98.00	TUITION FEE	NOT FINANCIALLY VIABLE TO SEND TO DEBT COLLECTOR	WITHDRAWAL CHARGE
13/12/2017	07001403-001	352	£ 100.00	TUITION FEE	NOT FINANCIALLY VIABLE TO SEND TO DEBT COLLECTOR	WITHDRAWAL CHARGE
09/12/2016	086100-005	721	£ 100.00	TUITION FEE	NOT FINANCIALLY VIABLE TO SEND TO DEBT COLLECTOR	WITHDRAWAL CHARGE
12/01/2018	09011636-001	322	£ 100.00	TUITION FEE	NOT FINANCIALLY VIABLE TO SEND TO DEBT COLLECTOR	WITHDRAWAL CHARGE
15/12/2017	12016197-003	350	£ 100.00	TUITION FEE	NOT FINANCIALLY VIABLE TO SEND TO DEBT COLLECTOR	WITHDRAWAL CHARGE
14/12/2017	13010114-007	351	£ 100.00	TUITION FEE	NOT FINANCIALLY VIABLE TO SEND TO DEBT COLLECTOR	WITHDRAWAL CHARGE
20/11/2017	14000233-001	375	£ 100.00	TUITION FEE	NOT FINANCIALLY VIABLE TO SEND TO DEBT COLLECTOR	WITHDRAWAL CHARGE
21/11/2017	15009161-004	374	£ 100.00	TUITION FEE	NOT FINANCIALLY VIABLE TO SEND TO DEBT COLLECTOR	WITHDRAWAL CHARGE
21/11/2017	15014118-006	374	£ 100.00	TUITION FEE	NOT FINANCIALLY VIABLE TO SEND TO DEBT COLLECTOR	WITHDRAWAL CHARGE
14/12/2017	16003684-002	351	£ 100.00	TUITION FEE	NOT FINANCIALLY VIABLE TO SEND TO DEBT COLLECTOR	WITHDRAWAL CHARGE
20/11/2017	16021309-001	375	£ 100.00	TUITION FEE	NOT FINANCIALLY VIABLE TO SEND TO DEBT COLLECTOR	WITHDRAWAL CHARGE
31/10/2017	17006169-005	395	£ 100.00	TUITION FEE	NOT FINANCIALLY VIABLE TO SEND TO DEBT COLLECTOR	WITHDRAWAL CHARGE
19/12/2017	17016434-001	346	£ 100.00	TUITION FEE	NOT FINANCIALLY VIABLE TO SEND TO DEBT COLLECTOR	WITHDRAWAL CHARGE

Total £ 5,124.85

BREAKDOWN OF WRITE OFF	TOTAL VALUE	% Of Total Write Off
TUITION FEES	£1,348.00	26%
BURSARY	£739.90	14%
BOOKS	£175.95	3%
NURSERY	£2,861.00	56%
EQUIPMENT	£0.00	0%
OTHER / EVENTS	£0.00	0%
TOTAL	£5,124.85	100%