

## Minute

### College Management Council Sub-committee

Monday, 3 September 2018, 13:30.

Lecture Theatre, Orkney College, Kirkwall.



### Present

Councillors John A R Scott, Stephen G Clackson, Alexander G Cowie, Robin W Crichton and J Harvey Johnston.

### Community Representatives:

Beverly Clubley and Peter Slater.

### Business Representative:

Mark Jones.

### Clerk

- Sandra Craigie, Committees Officer.

### In Attendance

- Wilfred Weir, Executive Director of Education, Leisure and Housing.
- James Wylie, Head of Services (Curriculum and Community Learning).
- Paul Kemp, Strategic Finance Manager.
- Peter Trodden, Solicitor.
- Craig Walker, Senior HR Adviser.

### Orkney College

- William Ross, Principal.
- Christine Scott, Business Manager (for Items 1 to 3).
- Andie John Seatter, Staff Representative
- Ellen Grieve, Student Representative.
- Hannah Thompson, Student Representative.

### Apologies

- Roy Brown, Business Representative.
- Ian Carse, Community Representative.
- Malcolm Graves, Community Representative.
- Steven Sinclair, Business Representative.

## Chair

- Councillor John A R Scott.

### 1. Revenue Expenditure Outturn Report

After consideration of a report by the Executive Director of Education, Leisure and Housing, copies of which had been circulated, and after hearing a report from the Business Manager, Orkney College, the Sub-committee:

Noted:

**1.1.** The revenue outturn statement in respect of Orkney College for financial year 2017 to 2018, attached as Annex 1 to the report by the Executive Director of Education, Leisure and Housing, indicating a net surplus of £40,500.

**1.2.** The explanations given and actions proposed in respect of significant budget variances, as outlined in the Budget Action Plan, attached as Annex 2 to the report by the Executive Director of Education, Leisure and Housing.

### 2. Revenue Expenditure Monitoring

After consideration of a report by the Executive Director of Education, Leisure and Housing, copies of which had been circulated, and after hearing a report from the Business Manager, Orkney College, the Sub-committee:

Noted:

**2.1.** The revenue financial detail in respect of Orkney College for the period 1 April to 30 June 2018, attached as Annex 1 to the report by the Executive Director of Education, Leisure and Housing, indicating a net overspend of £104,500.

**2.2.** The explanations given and actions proposed in respect of significant budget variances, as outlined in the Budget Action Plan, attached as Annex 2 to the report by the Executive Director of Education, Leisure and Housing.

### 3. Financial Forecast Return

After consideration of a report by the Executive Director of Education, Leisure and Housing, copies of which had been circulated, and after hearing a report from the Business Manager, Orkney College, the Sub-committee:

Noted:

**3.1.** That the Financial Forecast Return was an annual reporting requirement of the Scottish Funding Council, as part of its financial health monitoring framework for colleges.

The Sub-committee resolved to **recommend to the Council:**

**3.2.** That the Financial Forecast Return and Commentary, attached as Appendices 1 and 2 respectively to this Minute, be approved.

#### **4. Orkney College UHI Strategic Risk Register – Update**

After consideration of a report by the Executive Director of Education, Leisure and Housing, copies of which had been circulated, and after hearing a report from the Principal, Orkney College, the Sub-committee:

Noted the Orkney College UHI Strategic Risk Register, attached as Appendix 1 to the report by the Executive Director of Education, Leisure and Housing, which had been updated to reflect the position as at August 2018.

#### **5. Operational Plan**

After consideration of a report by the Executive Director of Education, Leisure and Housing, copies of which had been circulated, and after hearing a report from the Principal, Orkney College, the Sub-committee:

Resolved to **recommend to the Council** that the Orkney College UHI Operational Plan 2018 to 2019, attached as Appendix 3 to this Minute, which contained objectives identified to ensure delivery of the aims of the Strategic Plan 2018 to 2021, be endorsed for delivery.

Councillor Robin W Crichton left the meeting at this point.

#### **6. National Audit Report: Scotland's Colleges 2018**

After consideration of a report by the Executive Director of Education, Leisure and Housing, copies of which had been circulated, and after hearing a report from the Principal, Orkney College, the Sub-committee:

Noted:

**6.1.** The national audit report, Scotland's Colleges 2018, issued in June 2018 by Audit Scotland, attached as Appendix 1 to the report by the Executive Director of Education, Leisure and Housing.

**6.2.** The key messages contained within the national audit report, a summary of which was detailed in section 4.1 of the report by the Executive Director of Education, Leisure and Housing.

**6.3.** That the national audit report made specific reference to Orkney College with regards to student outcomes noting that students on full time further education courses had the highest attainment, retention, satisfaction and positive destinations of all of the colleges in Scotland.

**6.4.** That the national audit report made reference to the need for colleges to develop long term financial strategies which was currently part of Orkney College's work plan.

#### **7. Highlands and Islands Students Association – Update**

After consideration of a report by the Executive Director of Education, Leisure and Housing, copies of which had been circulated, and after hearing a report from Hannah Thompson, the Orkney Depute President of the Highlands and Islands Students' Association, the Sub-committee:

Noted the paper prepared by the Orkney Depute President of the Highlands and Islands Students' Association, attached as Appendix 1 to the report by the Executive Director of Education, Leisure and Housing, outlining:

- Freshers' fayre.
- Class representatives.
- Clubs and societies.

## **8. Conclusion of Meeting**


At 15:00 the Chair declared the meeting concluded.

Signed: John A R Scott.

**Financial Forecast Return 2018**

College: Orkney College UHI  
Contact: Bill Ross / Christine Scott  
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**DECLARATION:**  
The attached worksheets represent the financial forecasts for the College. They reflect a financial statement of our academic and physical plans from 2017-18 to 2022-23. Adequate explanations have been provided where requested on the return. The worksheets and their underpinning assumptions have been reviewed and approved by the Board of Management in accordance with their agreed practices. In preparing this financial forecast the College has fully considered the financial implications of all aspects of its strategy and has properly reflected these in the forecast.

Signed:   
Principal/Chief Executive Officer  
Date: 07/08/2018

Orkney College UHI

KEY RISKS

Please use the boxes below to provide a commentary on material risks to income and expenditure as identified in the Risk Register. Where possible these risks should be quantified.

Please use the boxes below to describe the actions planned by the College to address/mitigate the identified risks.

Staff turnover. Assistant Principal retired May 2018, Principal retiring around January 2019. Anticipate new postholders in place around January 2019. The loss of knowledgeable and experienced staff both temporarily displaces their responsibilities and it will take new staff some time to get up to speed with the college and its place within OIC and UHI. This may present challenges for both the new and existing staff but it is also an opportunity to bring in new and different knowledge and experience. This risk is difficult to quantify other than to say it is against a backdrop that predicts staff reductions being required.

It is planned to have a handover period with the Principal post. Supported induction. The organisation is aware of the challenges so is seeking to appoint candidates with the best matched skills sets.

Remoteness Funding. In 2018-19 UHI agreed to fund a transition period for the larger academic partners, who under new SFC guidelines, would see a significant reduction in 'remoteness' funding. The expectation is that this transition funding will not be allocated to these partners in 2019-20 and that the small and island based colleges will see an uplift in 'remoteness' funding allocated in 2019-20. There is a risk that this assumption of additional 'remoteness' funding may not be agreed, or the amount agreed will be smaller than expected. £115,000 for full academic year.

If 'remoteness' funding allocation to Orkney College is not forthcoming in 2019-20 then additional reduction in staffing may be necessary. OIC is expecting that a staffing review will be an early action for the new Principal. Staff will be consulted on any changes. There requires to be a balance of cost cutting against effective staff utilisation and curriculum delivery for the community.

National Bargaining. SFC FFR guidance on the ongoing support of National Bargaining costs through assimilation of the financial support into the funding model going forward is welcome. The FFR has been produced to include assumptions relating to this funding. However the indication that future cost-of-living pay awards will need to be met through efficiency gains is particularly challenging for a very small island college where it is difficult to identify and achieve any real economies of scale.

UHI partners are considering the future operating model of the partnership, which includes identifying how further services can be shared across the partnership to achieve efficiency savings.

Strategic Regional Body. Orkney College is dependent on the Strategic Regional Body implementing a method of funding distribution, post National Bargaining full implementation, that will sufficiently fund Orkney College to maintain its provision. Until this model is finally agreed there will be a level of uncertainty that requires to be treated as a risk.

Effective engagement and appropriate challenge at a regional level will be necessary to ensure that Orkney College is sufficiently funded on an ongoing basis.

Staff levels. Looking to the later years of this FFR period some reduction in expenditure has been identified as necessary to achieve long term financial sustainability. The preference is to increase income during this period but dependent on government policy regarding funded student numbers at both further and higher education levels this may not be possible. In this situation the College will have to consider a small managed reduction in staffing levels as indicated in this FFR equivalent to 2.0 fte posts wef academic year 2020-21, 1.0 fte in 2021-22 and potentially a further 2.0 fte in 2022-23.

Reductions in staffing carry the risk of reducing the productivity of the College and any such changes will need to be carefully managed.

Statement of Comprehensive income and expenditure (Consolidated)	Actual	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	Explanation for variance
	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	
	£000	£000	£000	£000	£000	£000	£000	%	%	%	%	%	%	%	
<b>INCOME</b>															
Tuition fees and education contracts	1,113	1,008	1,029	1,037	1,045	1,053	1,107	-9.4%	2.1%	0.8%	0.8%	0.8%	0.8%	5.1%	2017-18 'low' point for cyclical short courses (approx 5 year cycle). 2022-23 'high' point for cyclical short courses. 2% inflation applied to around 40% of course fees annually.
Funding council grants	2,480	2,538	2,789	3,151	3,154	3,130	3,088								2017-18 Mainly reflects increased further education funding following UHI regional modelling review plus support for National Bargaining of around £91K. Increased Research Excellence Grant of around £24K, offset with reduced estates funding of around £54K. 2018-19 Funding for National Bargaining and introduction of estates essential maintenance grant adds around £197K, increased ESIF for post-graduate research adds around £60K. Anticipate lower ESIF for further education. 2019-20 National Bargaining funding increased to reflect costs and allowance made for Regional Body review of remoteness funding to result in an increase adds around £275K. Increasing back to previous levels of ESIF for further education and targeting non-teaching HE activity funding adds a further £30K. 2020-21 Anticipate regional distribution towards credits of the funding previously allocated to support National Bargaining to result in a reduced allocation, however anticipate this being offset with full year effect of increased funding towards remoteness. 2021-22 Last academic year of ESIF in this financial year. 2022-23 ESIF funding towards further education has ended.
Research grants and contracts	839	964	947	931	945	960	975	2.3%	9.9%	13.0%	0.1%	-0.8%	-1.3%		2016-17 Ongoing mixed results in Business Units. 2017-18 Overall Business Units returned a small surplus. 2018-19 Reduction reflects break-even aim against in-year reduction in staffing. 2019-20 Reduction reflects break-even aim against full year reduction in staffing. 2020-21 onwards, 2% inflation applied to commercial activity.
Revenue grants from Arms Length Foundation	0	0	0	0	0	0	0	14.9%	-1.7%	-1.7%	1.5%	1.6%	1.6%		
Capital grants from Arms Length Foundation	0	0	0	0	0	0	0								
Other non-government capital grants	0	0	0	0	0	0	0								
Deferred capital grant release (SFC and non-SFC Government)	0	0	0	0	0	0	0								
Other income	283	311	327	327	327	327	327	10.0%	5.0%	0.0%	0.0%	0.0%	0.0%		2016-17 last year of ad hoc grants e.g., Hairdressing, sales income higher. 2017-18 Developing Young Workforce begins. 2018-19 onwards, mainly DVM and sales income
Investment income	0	0	0	0	0	0	0	2.3%	5.6%	6.9%	0.5%	0.0%	0.5%		
<b>Total income before donations and endowments</b>	<b>4,715</b>	<b>4,821</b>	<b>5,092</b>	<b>5,445</b>	<b>5,471</b>	<b>5,470</b>	<b>5,496</b>	<b>2.3%</b>	<b>5.6%</b>	<b>6.9%</b>	<b>0.5%</b>	<b>0.0%</b>	<b>0.5%</b>		
Donations and endowments	0	0	0	0	0	0	0								
<b>Total income</b>	<b>4,715</b>	<b>4,821</b>	<b>5,092</b>	<b>5,445</b>	<b>5,471</b>	<b>5,470</b>	<b>5,496</b>	<b>2.3%</b>	<b>5.6%</b>	<b>6.9%</b>	<b>0.5%</b>	<b>0.0%</b>	<b>0.5%</b>		
<b>EXPENDITURE</b>															
Staff costs	3,305	3,415	3,554	3,907	3,933	3,931	3,957	3.3%	4.1%	9.9%	0.7%	0.0%	0.7%		2017-18 Introduction of Apprenticeship Levy and National Bargaining. 2018-19 Second year of National Bargaining, partially offset by turnover savings. 2019-20 National Bargaining fully implemented. 2020-21 Reduce 2.0 FTE w/ Sept 2020. 2021-22 Reduce by further 1.0 FTE full year. 2022-23 Reduce by further 2.0 FTE w/ Sept 2022.
Staff costs - exceptional restructuring costs	0	0	0	0	0	0	0								
Exceptional costs - non-staff	0	0	0	0	0	0	0								
Other operating expenses	1,339	1,362	1,533	1,533	1,533	1,533	1,533	1.7%	12.5%	0.0%	0.0%	0.0%	0.0%		2017-18 in-year, one-off, savings against budget of around £18k in Support areas. 2018-19 PhD's receiving (funded) stipends increase by spend by around £21K. Backlog Maintenance Grant spend £85K, department equipment/I spend increased £46K. 2019-20 onwards, budget at same level, inflationary increases to be offset with in-year savings.
Donation to Arms Length Foundation	0	0	0	0	0	0	0								
Depreciation	0	0	0	0	0	0	0	4.4%	43.7%	0.0%	0.0%	0.0%	0.0%		
Interest and other finance costs	4	4	6	6	6	6	6								
<b>Total expenditure</b>	<b>4,648</b>	<b>4,781</b>	<b>5,092</b>	<b>5,445</b>	<b>5,471</b>	<b>5,470</b>	<b>5,496</b>	<b>2.9%</b>	<b>6.5%</b>	<b>6.9%</b>	<b>0.5%</b>	<b>0.0%</b>	<b>0.5%</b>		
<b>Surplus/(deficit) before other gains and losses and share of operating surplus/deficit of joint ventures and associates</b>	<b>67</b>	<b>40</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-39.6%</b>	<b>-100.0%</b>						
Gain/(loss) on disposal of fixed assets	0	0	0	0	0	0	0								
Gain/(loss) on investments	0	0	0	0	0	0	0								
Share of operating surplus/(deficit) in joint ventures(s)	0	0	0	0	0	0	0								
Share of operating surplus/(deficit) in associate(s)	0	0	0	0	0	0	0								
<b>Surplus/(deficit) before tax</b>	<b>67</b>	<b>40</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-39.6%</b>	<b>-100.0%</b>						
Other taxation	0	0	0	0	0	0	0								
<b>Surplus/(deficit) for the year</b>	<b>67</b>	<b>40</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-39.6%</b>	<b>-100.0%</b>						
Unrealised surplus on revaluation of land and buildings	0	0	0	0	0	0	0								
Actuarial (loss)/gain in respect of pension schemes	0	0	0	0	0	0	0								
Other comprehensive income	0	0	0	0	0	0	0								
<b>Total comprehensive income for the year</b>	<b>67</b>	<b>40</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-39.6%</b>	<b>-100.0%</b>						

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UNDERLYING OPERATING RESULT	Actual 2016-17 £000	Forecast 2017-18 £000	Forecast 2018-19 £000	Forecast 2019-20 £000	Forecast 2020-21 £000	Forecast 2021-22 £000	Forecast 2022-23 £000	2016-17 - 2017-18 %	2017-18 - 2018-19 %	2018-19 - 2019-20 %	2019-20 - 2020-21 %	2020-21 - 2021-22 %	2021-22 - 2022-23 %	Explanation for variance
<b>Surplus/(deficit) before other gains and losses and share of operating surplus/deficit of joint ventures and associates</b>	67	40	0	0	0	0	0							
<b>Add:</b>														
Total depreciation (Government-funded, privately funded and NPD-funded assets) net of deferred capital grant release ( <i>incorporated colleges only</i> )	0	0	0	0	0	0	0							
Exceptional non-restructuring items (e.g. impairment costs)	0	0	0	0	0	0	0							
Non-cash pension adjustment - net service cost														
Non-cash pension adjustment - net interest cost	0	0	0	0	0	0	0							
Donation to Arms Length Foundation ( <i>incorporated colleges only</i> )	0	0	0	0	0	0	0							
<b>Deduct:</b>														
Non-Government capital grants (e.g. ALF capital grant)	0	0	0	0	0	0	0							
Exceptional income (if disclosed as exceptional in accounts)	0	0	0	0	0	0	0							
CBP allocated to loan repayments and other capital items ( <i>incorporated colleges only</i> )	0	0	0	0	0	0	0							
NPD payments to reduce NPD balance sheet debt	0	0	0	0	0	0	0							
<b>Underlying operating result</b>	<b>67</b>	<b>40</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	-39.6%	-100.0%					
<b>Cash budget for priorities (<i>incorporated colleges</i>):</b>														
<b>Revenue priorities</b>														
Student support funding	0	0	0	0	0	0	0							
2015-16 pay award	0	0	0	0	0	0	0							
Voluntary severance	0	0	0	0	0	0	0							
Estates costs	0	0	0	0	0	0	0							
Other - please describe	0	0	0	0	0	0	0							
<b>Total impact on operating position</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>							
<b>Capital priorities</b>														
Loan repayments	0	0	0	0	0	0	0							
NPD / PFI repayments	0	0	0	0	0	0	0							
Estates costs	0	0	0	0	0	0	0							
Provisions pre 1 April 2014	0	0	0	0	0	0	0							
<b>Total capital</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>							
<b>Total cash budget for priorities spend</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>							



Orkney College UHI

	Actual 2016-17 £000	Forecast 2017-18 £000	Forecast 2018-19 £000	Forecast 2019-20 £000	Forecast 2020-21 £000	Forecast 2021-22 £000	Forecast 2022-23 £000	2016-17 - 2017-18 %	2017-18 - 2018-19 %	2018-19 - 2019-20 %	2019-20 - 2020-21 %	2020-21 - 2021-22 %	2021-22 - 2022-23 %	Explanation
Staff costs														
Salaries	2,597	2,682	2,784	3,069	3,089	3,087	3,108	3.3%	3.8%	10.2%	0.7%	-0.1%	0.7%	2017-18 National Bargaining 25% implemented, Developing Young Workforce (DYW) introduced. 2018-19 National Bargaining 50% implemented, management staff turnover saving, Business Unit reduced staff by 1.8 FTE mid-year. 2019-20 National Bargaining 100% implemented, full year effect of Business Unit staff reductions. 2020-21 Lecturing/Support reduce by 2.0 fte mid-year. 2021-22 Lecturing/Support full year effect of reduced staff plus additional 1.0 fte full year . 2022-23 Lecturing/Support reduce by further 2.0 fte mid-year. 2% inflation applied as per SFC FFR guidance.
Social Security costs	242	262	272	299	301	301	303	8.1%	3.9%	10.1%	0.7%	-0.1%	0.7%	2017-18 Apprenticeship Levy introduced (0.5%). All years reflect increasing/decreasing salaries.
Other pension costs	466	472	498	539	543	543	547	1.2%	5.5%	8.3%	0.7%	0.0%	0.7%	2017-18 Employers contribution to LGPS decreases to 19.2% from 19.8% . 2018-19 Employers contribution to LGPS decreases to 18.2% from 19.2%. All years reflect increasing/decreasing salaries.
FRS 102 pensions adjustments	0	0	0	0	0	0	0							
<b>Total</b>	<b>3,305</b>	<b>3,415</b>	<b>3,554</b>	<b>3,907</b>	<b>3,933</b>	<b>3,931</b>	<b>3,957</b>	<b>3.3%</b>	<b>4.1%</b>	<b>9.9%</b>	<b>0.7%</b>	<b>0.0%</b>	<b>0.7%</b>	

Balance Sheet		Actual 2016-17	Forecast 2017-18	Forecast 2018-19	Forecast 2019-20	Forecast 2020-21	Forecast 2021-22	Forecast 2022-23	2016-17 - 2017-18	2017-18 - 2018-19	2018-19 - 2019-20	2019-20 - 2020-21	2020-21 - 2021-22	2021-22 - 2022-23	Explanation for variance
		£000	£000	£000	£000	£000	£000	£000	%	%	%	%	%	%	
1 Non-current assets	a) Intangible assets	0	0	0	0	0	0	0							
	b) Fixed assets	0	0	0	0	0	0	0							
	c) Investments	0	0	0	0	0	0	0							
<b>Total non-current assets</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>							
2 Current assets	a) Stock	0	0	0	0	0	0	0							
	b) Debtors	0	0	0	0	0	0	0							
	c) Investments	0	0	0	0	0	0	0							
	d) Cash and cash equivalents	0	0	0	0	0	0	0							
	e) Other (e.g. assets for resale)	0	0	0	0	0	0	0							
<b>Total current assets</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>							
3 Creditors: amounts falling due within one year	a) Bank loans and external borrowing	0	0	0	0	0	0	0							
	b) Bank overdrafts	0	0	0	0	0	0	0							
	c) Lennartz creditor	0	0	0	0	0	0	0							
	d) Obligations under finance leases and service concessions	0	0	0	0	0	0	0							
	e) Payments received in advance	0	0	0	0	0	0	0							
	f) Amounts owed to Funding Council	0	0	0	0	0	0	0							
	g) Obligations under PFI/NPD	0	0	0	0	0	0	0							
	h) Other creditors and accruals	0	0	0	0	0	0	0							
<b>Total creditors &lt; 1year</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>							
<b>Share of net assets/(liabilities) in associate</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>							
<b>NET CURRENT ASSETS/LIABILITIES</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>							
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>							
4 Creditors: amounts falling due after more than one year	a) Local authority loans	0	0	0	0	0	0	0							
	b) Bank loans and external borrowing	0	0	0	0	0	0	0							
	c) Lennartz creditor	0	0	0	0	0	0	0							
	d) Finance leases and service concessions	0	0	0	0	0	0	0							
	e) Obligations under PFI/NPD	0	0	0	0	0	0	0							
	f) Amounts repayable to Funding Council	0	0	0	0	0	0	0							
	g) Other creditors	0	0	0	0	0	0	0							
<b>Total creditors &gt;1 year</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>							
5 Provisions	a) Pension provisions	0	0	0	0	0	0	0							
	b) Other	0	0	0	0	0	0	0							
<b>Total provisions</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>							
<b>TOTAL NET ASSETS</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>							
9 Restricted Reserves	a) Endowment Reserve	0	0	0	0	0	0	0							
	b) Restricted Reserve	0	0	0	0	0	0	0							
10 Unrestricted reserves	a) Income and Expenditure Reserve	0	0	0	0	0	0	0							
	b) Revaluation reserve	0	0	0	0	0	0	0							
11 Non-controlling interest		0	0	0	0	0	0	0							
<b>TOTAL RESERVES</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>							

**Orkney College UHI**

**Capital Expenditure Projects and Forecast Methods of Financing**

	Actual 2016-17	Forecast 2017-18	Forecast 2018-19	Forecast 2019-20	Forecast 2020-21	Forecast 2021-22	Forecast 2022-23	2016-17 - 2017-18	2017-18 - 2018-19	2018-19 - 2019-20	2019-20 - 2020-21	2020-21 - 2021-22	2021-22 - 2022-23
	£000	£000	£000	£000	£000	£000	£000	%	%	%	%	%	%
<b>Expenditure:</b>													
Land & Buildings	0	0	0	0	0	0	0						
Equipment & Others	37	28	37	0	0	0	0	-24.3%	32.1%	-100.0%			
	37	28	37	0	0	0	0	-24.3%	32.1%	-100.0%			
<b>Financed by:</b>													
Cash reserves	0	0	0	0	0	0	0						
Arms Length Foundation	0	0	0	0	0	0	0						
Leasing	0	0	0	0	0	0	0						
SFC grant	25	13	17	0	0	0	0	-48.0%	30.8%	-100.0%			
Re-investment of proceeds from disposal of assets *	0	0	0	0	0	0	0						
Non-SFC grants	0	0	0	0	0	0	0						
PFI/NPD	0	0	0	0	0	0	0						
Other - please specify if material	12	15	20	0	0	0	0	25.0%	33.3%	-100.0%			
	37	28	37	0	0	0	0	-24.3%	32.1%	-100.0%			

\* to be included only where this has been agreed by SFC

**Capital disposals**

**Disposal proceeds:**

Asset description							
Asset description							
Asset description							
Asset description							
	0	0	0	0	0	0	0

**Gain/(loss) on disposal:**

Asset description							
Asset description							
Asset description							
Asset description							
	0	0	0	0	0	0	0

**Orkney College UHI**

**ALF Funding**

	Actual 2016-17 £000	Forecast 2017-18 £000	Forecast 2018-19 £000	Forecast 2019-20 £000	Forecast 2020-21 £000	Forecast 2021-22 £000	Forecast 2022-23 £000
Estimated balance of cash in ALF as at 1 August	0	0	0	0	0	0	0
Donation to Arms Length Foundation	0	0	0	0	0	0	0
Grant from Arms Length Foundation - capital	0	0	0	0	0	0	0
Grant from Arms Length Foundation - revenue	0	0	0	0	0	0	0
<b>Estimated balance of cash in ALF as at 31 July</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Note:**  
For most foundations, the most recent accounts available are for periods ending in 2017. Colleges' forecast movements will not include governance costs, donations from third parties, payments to third parties or investment income.

**Grant from Arms Length Foundation - capital:**

Description	0	0	0	0	0	0	0
Description	0	0	0	0	0	0	0
Description	0	0	0	0	0	0	0
Description	0	0	0	0	0	0	0
Description	0	0	0	0	0	0	0
Description	0	0	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Grant from Arms Length Foundation - revenue**

Description	0	0	0	0	0	0	0
Description	0	0	0	0	0	0	0
Description	0	0	0	0	0	0	0
Description	0	0	0	0	0	0	0
Description	0	0	0	0	0	0	0
Description	0	0	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Orkney College UHI  
FINANCIAL SUMMARY

Actual 2016-17	Forecast 2017-18	Forecast 2018-19	Forecast 2019-20	Forecast 2020-21	Forecast 2021-22	Forecast 2022-23
£000	£000	£000	£000	£000	£000	£000

Income ratios							
Total Income	4,715	4,821	5,092	5,445	5,471	5,470	5,496
Total Funding Council Grant as % of Total Income	53%	53%	55%	58%	58%	57%	56%
Total non-Funding Council Grant as % of Total Income	47%	47%	45%	42%	42%	43%	44%
Total Education Contracts and Tuition Fees as % of Total Income	24%	21%	20%	19%	19%	19%	20%
Total Research Grants and Contracts as % of Total Income	18%	20%	19%	17%	17%	18%	18%
Total Other Income as % of Total Income	6%	6%	6%	6%	6%	6%	6%

Expenditure ratios							
Total Expenditure	4,648	4,781	5,092	5,445	5,471	5,470	5,496
Salaries as % of Total Expenditure	71%	71%	70%	72%	72%	72%	72%
Other operating costs as % of Total Expenditure	29%	28%	30%	28%	28%	28%	28%
Depreciation/amortisation as % of Total Expenditure	0%	0%	0%	0%	0%	0%	0%

Operating position							
Operating Surplus/(deficit)	67	40	0	0	0	0	0
Operating Surplus/(deficit) as % of Total Income	1%	1%	0%	0%	0%	0%	0%
Underlying operating surplus/(deficit)	67	40	0	0	0	0	0
Underlying operating surplus/(deficit) as % of Total Income	1.4%	0.8%	0.0%	0.0%	0.0%	0.0%	0.0%

Cash Position							
Cash and Current Asset Investments	0	0	0	0	0	0	0
Overdrafts	0	0	0	0	0	0	0
Days Ratio of Cash to Total Expenditure	0	0	0	0	0	0	0

Balance Sheet strength							
Unrestricted reserves	0	0	0	0	0	0	0
Current Ratio	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Unrestricted reserves as % of Total Income	0%	0%	0%	0%	0%	0%	0%
Total borrowing (Overdrafts, Loans, Finance Leases, PFI/NPD)	0	0	0	0	0	0	0
Interest cover	17.75	10.70	1.00	1.00	1.00	1.00	1.00

# Orkney College UHI Financial Forecast Return 2018 Commentary

## Introduction

Orkney College UHI is a diverse tertiary institution spanning all levels of the Scottish Credit and Qualification Framework providing education from access level to postgraduate taught programmes through to research alongside undertaking commercial activity. The College meets the needs of the local community and economy and operates at local, national and international levels which places wide ranging demands on a small institution but has had the advantage of spreading risk and reward across a number of areas.

## Review of financial performance 2017 to 2018

Financial year 2017 to 2018 figures are draft. However, in agreement with the Scottish Funding Council, Orkney College UHI undertakes budgetary planning and reporting based on financial years in line with the Council. No further movement is expected.

Following a challenging year financially for the main teaching areas in 2015 to 2016, 2016 to 2017 saw the return of a surplus. However, 2017 to 2018 saw a reversal with the return of, an albeit very small, deficit in the main teaching areas. The Research Business Units by contrast followed a relatively successful year in 2015 to 2016 with an overall deficit in 2016 to 2017 and then with an overall surplus in 2017 to 2018.

The net effect for the whole college is £40,000 surplus for 2017 to 2018.

## Scottish Funding Council Recurrent Grant

For 2017 to 2018 a revised further education funding model has been implemented by the University of the Highlands and Islands which favourably affects the funding for Orkney College UHI, giving better recognition of the impact of remoteness. 2018 to 2019 has a modest increase on 2017 to 2018. For 2018 to 2019 UHI agreed upon a transition period for the largest three academic partners who had identified financial turbulence implications of fully exiting from 'Remoteness' funding. With this being a transitional arrangement, it is expected that the smaller and island partners should see a further increase in 'remoteness' funding in 2019 to 2020 which will continue at a steady level thereafter. From 2020 to 2021 funding previously allocated for National Bargaining is incorporated in the main grant proportionate to credit activity as per Scottish Funding Council guidance. Modelling the impact of this change reduces the impact of the direct costs of National Bargaining in the longer term but is offset somewhat with the requirement to fund 'cost-of-living' pay awards.

This future distribution of further education funding in UHI, along with remoteness funding, will be of critical importance to the future financial security of Orkney College UHI.

## **Changes in Tuition Fee Income and Other Income**

Fee income from part-time further education has consistently increased from 2011 to 2012 to 2015 to 2016, reaching a peak in 2016 to 2017. Part of the increase reflects income from cyclical activity which reduced in 2017 to 2018 with the next cyclical increase now predicted in 2022 to 2023. Full time further education income is relatively static. Higher education fee income is also relatively static overall but with a general increase in post-graduate taught fee income and a small decrease in undergraduate fee income. Income through Skills Development Scotland is declining very slightly due to a reducing funding model, although student numbers are expected to remain steady. Any financial impact of a regional UHI contract for Modern Apprenticeship will become evident from 2019 to 2020 onwards.

From 2017 to 2018 onwards 'Other Income' is predicted to be stable with income from 'Sales' and the Developing Young Workforce grant forming the main sources, the latter being allocated to relevant expenditure.

## **Commercial Income**

2017 to 2018 was again a year of mixed fortunes for the Research Business Units with two areas returning a surplus, and one a deficit. Staffing reductions are being implemented in one area in 2018 to 2019 with the full year effect of savings in 2019 to 2020. For 2018 to 2019 a surplus is possible in two areas, and a balanced position is the aim in the other where financial success has been achieved in the past but lacks consistency. Overall sustainability in commercial and research continues to be a significant risk to financial security against a backdrop of an increased profile of Research Excellence Funding.

## **Changes in Staff and Non-Staff Costs**

Overall staffing full-time equivalents have remained at a similar level since 2016 to 2017, where they increased marginally from 2015 to 2016. Opportunities for turnover savings have been taken. However, capacity in one area is often offset with increased demand in another which has meant the overall full-time equivalent as remained almost static. In some cases, mainly at higher education level, the loss of teaching hours also means the loss of associated income. Reduced staffing especially teaching related posts does not always result in any net financial gain as there is often some corresponding reduction in income.

All saving opportunities are considered and it is anticipated that the equivalent of around 2.0 full-time equivalent combined lecturing/support reduction will be required mid-year in 2020 to 2021; 1.0 full-time equivalent full-year in 2021 to 2022 with

potentially a further 2.0 full-time equivalent mid-year in 2022 to 2023. Where possible the college avoids compulsory staffing reductions but has gone down this route in the past and may do so again if it is assessed to be unavoidable. The pressures on remaining staff need to be considered and carefully managed alongside the financial savings of any reduction in staffing levels.

Non-staff expenditure in 2017 to 2018 included procurement of funded equipment, otherwise expenditure was generally minimal.

## **Risk Management**

The key risks are identified as:

### **1. Future of further education funding**

The stability and consistency of the revised model introduced by the Further Education Regional Board will be key for Orkney College UHI, in particular the remoteness element along with the transition out of National Bargaining funding to increased credit funding. It is not anticipated that credit activity will increase significantly which makes the management of withdrawal of European Structural Investment Funds an important consideration in curriculum planning. As reported earlier the 2017 to 2018 allocation of further education funding through UHI was favourable to Orkney College UHI. The future review of the distribution of further education funding within UHI will remain of critical local importance.

### **2. Pay awards and national pay structures**

The Council made a decision to shadow the pay element of National Bargaining for academic staff, subject to sufficient funding being provided through the Scottish Funding Council to cover the additional costs. Following Financial Forecast Return guidance that the Scottish Funding Council will now incorporate the sector level funding for National Bargaining in to the funding model, rather than decreasing this funding to 66% in 2020 to 2021, 33% in 2021 to 2022 and 0% in 2022 to 2023 the College has attempted to model the implications for Orkney College and incorporate these into the Financial Forecast Return accordingly. This decision should significantly reduce the direct financial risk attached to National Bargaining but is balanced in part by the expectation by the Scottish Funding Council that colleges will fund annual cost of living related pay increases by efficiency gains.

### **3. Research**

Overall financial viability in research areas is challenging. Some research areas are performing more strongly than others. In the 2017 to 2018 financial year, two research area generated a surplus, one returned a deficit. Experience over a number of years has shown two of the Research Business Units to be amongst the most difficult areas of the College to financially forecast as many decisions on grant



funding and commercial income fall outwith the direct control of the College. Funding bid submissions and considerations extend over comparatively long periods of time and the amount of money at stake in proposals can be quite large. The College's research activity is externally of quite high profile and helps with Orkney's higher education profile. However, this area of work has also historically represented the highest financial risk and where necessary staffing levels have been reduced and/or other potential exit/cost reduction strategies identified.

#### **4. Further education student numbers**

The College has historically been successful in meeting Credit targets however 2017 to 2018 has seen particularly low numbers in full time courses. Whilst this is not expected to continue into 2018 to 2019, it does present a risk both to the core and European Structural Investment Fund grant in 2017 to 2018, although the college will still contribute to the overall UHI European Structural Investment Fund target. Senior Phase and Developing Young Workforce are providing more opportunities for young people to stay on at school and this is impacting on the number of young people going to college full-time at age 16 so although this is not necessarily a negative in terms of the experience of the young people, it does amount to an element of risk when planning student numbers. The 'Orkney Offer' is leading to increased numbers of young people sharing learning between school and college in future years but it is taking time for this to have an impact, especially in terms of shared provision in school years S5 and S6. The College introduced Foundation Apprenticeships in 2016 to 2017 with no successful applications, the offering was extended in 2017 to 2018 and secured a low level uptake. 2018 to 2019 has resulted in increased numbers. Further improvements in timetabling and more continued focussed work to inform and encourage schools, young people, parents and guidance teachers of the parity and benefits of vocational alternatives in S4, S5 and S6 is required. The College has addressed provision gaps particularly around hairdressing and sports & leisure and is introducing engineering in 2018 to 2019. Finding the resource to equip and refresh the curriculum is a considerable challenge.

#### **5. Higher education student numbers**

Higher National programmes continue to attract almost exclusively local students and so the field of applicants each year is finite. Undergraduate and postgraduate degree programmes led by Orkney do attract students from outside the County at a national and international level. In order to increase student numbers in Orkney it is necessary to increase the range of courses available here. In most cases this will be through networked provision which involves the delivery of modules through blended learning from other academic partners. In balance to teaching received from other academic partners in the UHI the College delivers more than it receives across a range of academic subjects and this more than compensates financially for the number of students enrolled locally.



## **6. Exit from European Union**

The situation requires ongoing monitoring.

## **7. Overall Financial Position**

The College has set a balanced budget for the financial year 2018 to 2019 and with good student recruitment and carefully managed staffing levels we would anticipate a manageable year, however the 2019 to 2020 is expected to present significant financial challenges so 2018 to 2019 must be used to put in place arrangements to minimise financial risk for 2019 to 2020 onwards.

# **ORKNEY COLLEGE UHI**

## **Operational Plan**

### **2018 – 2019**

## Contents

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## SECTION 2

### Operational Plan 2018 - 2019

- 1.1 For each of the College's delivery aims over the period 2018-2021 the College has identified a number of objectives that will apply in each academic year. Associated targets have been developed to achieve these objectives which are owned by all staff and are the focus of the annual dialogue meetings between the principal, head of division and each curriculum team when planning the academic year ahead.
- 1.2 The Highlands and Islands Regional Outcome Agreement for 2018-19 has been jointly agreed by UHI and the SFC. This sets out Highlands and Islands wide outcomes. The College Strategic Priorities and Operational Objectives have been written to embrace this outcome agreement, acknowledging that there is a high level of diversity across the academic partnership and that the colleges are in many different places in terms of meeting some of the Regional matters in areas such as student retention and attainment. Orkney college is actually already very well placed in terms of these key performance indicators and the local target is to improve or at least maintain existing attainment levels even where these already exceed the Regional targets.
- 1.3 A Mid-year review of progress will be undertaken and reported to the College Management Council in March 2019.

OBJECTIVES	TARGETS	DEADLINE	LEAD	PROGRESS in 2018/19
<p>1. To continually review, and update as appropriate, the further education (FE) and higher education (HE) portfolio.</p>	<p>To maintain FE and HE provision in a changing environment of a reduced value of funding.</p> <p>To prioritise provision aimed at improving employability including programmes for students with non-traditional entry qualifications. To deliver employability programmes to numbers determined by SDS contract for 2018/19. Request for funded numbers in January 2019</p> <p>At Regional level in regard to the number of apprenticeships and places delivered through SDS National Skills Programmes – With the regionalisation of Modern Apprenticeship and Foundation Apprenticeships through UHI, work to ensure that adequate places are allocated to Orkney.</p> <p>To provide support for local employers in response to the 2016 Orkney Skills Investment Plan, Engage with and respond to priorities of Employability &amp; Skills Strategic Group.</p> <p>Work in collaboration as part of the Highlands and Islands Regional College to agree the Regional College Outcome Agreement with the Scottish Funding Council (SFC)</p> <p>To deliver to the College funding Credit target for the academic year 2018/9. Plus additional European funded additional places (ESIF).</p> <p>To seek to identify innovative approaches to meeting small scale training needs in a financially sustainable way.</p>	<p>Aug 2019</p> <p>Jan 2019</p> <p>August 2018 &amp; August 2019</p> <p>Aug 2019</p> <p>July 2018 &amp; Annually</p> <p>Aug 2018</p>	<p>BR</p> <p>CMT</p> <p>CMT</p> <p>BR</p> <p>BR</p> <p>CMT</p> <p>BR</p> <p>BR</p>	
<p>2. To make available more networked courses in Orkney at further and higher education level.</p>	<p>Review of student numbers annually at unit / module level to ensure viable class sizes, including use of UHI mean average class (MAC) size data.</p> <p>Increase availability of networked degree offering to students.</p> <p>To seek to increase numbers of students undertaking existing courses through providing greater clarity of opportunities through the Orkney Offer,</p>	<p>Aug 2018 &amp; Jan 2019</p> <p>Sept 2018</p> <p>Mar 2019</p>	<p>CMT</p> <p>CMT</p> <p>CMT</p>	
<p>3. To further develop internal and external progression routes.</p>	<p>Increase internal and external progression routes including FE to FE; FE to HE; HE to HE; FE to employment; HE to employment. Baseline figure provided in 2014 – 2017 UHI / Regional College Outcome agreement. To be measured by progression figures to be produced annually by College and UHI.</p>	<p>Mar 2019</p>	<p>BR</p>	

OBJECTIVES	TARGETS	DEADLINE	LEAD	PROGRESS in 2018/19
	<p>To play a full and active part in producing the 'Orkney Offer' to all senior phase stage pupils / students across College and schools in Orkney.</p> <p>In partnership with schools introduce Foundation Apprenticeships in three subject areas in 2019-20 academic year and a further Foundation Apprenticeship in 2020-21. Subject areas to be determined in consultation with schools.</p>	<p>Aug 2019</p> <p>Aug 2019</p>	<p>CMT &amp; school Heads</p> <p>CMT &amp; school Heads</p>	
<p>4. To promote diversity and inclusion in all its contexts.</p>	<p>Implementation of College Equality Outcome Action Plan with regular monitoring by CMT.</p> <p>Monitor staff team plans for the promotion of equality and diversity. Staff evaluate within curriculum self-evaluation reports.</p> <p>Monitor volume of proportion of credits relating to learners from different protected characteristics and report regionally (N.B. monitored and reported on through UHI Outcome Agreement with SFC) PIs reviewed annually by CMT</p> <p>Publication of information required under the Equality Act 2010 (Specific Duties Scotland Regulations 2012)</p> <p>Curriculum Leaders evaluate protected characteristics statistics.</p> <p>Publish British Sign Language (BSL) Policy for UHI / Orkney College – SFC requirement)</p>	<p>Annually</p> <p>June 2019</p> <p>Dec 2018</p> <p>Annually</p> <p>Annually</p> <p>Oct 2018</p>	<p>JW</p> <p>CMT</p> <p>CMT</p> <p>JW/BR</p> <p>JW / CLs</p> <p>JW</p>	
<p>5. To have a sustainable research profile.</p>	<p>Monitor progress towards milestones &amp; undertake quarterly budget review of Archaeology Institute to ensure income and expenditure are balanced on a rolling basis across teaching, research and commercial activity. Seek to extract best opportunities from International profile of research work. Undertake quarterly budget review and if necessary make necessary saving to achieve financial sustainability. Ensure preparation for next REF continues to UHI schedule.</p> <p>Ensure sustainability in relation to Agronomy research through promoting benefits of quality value added of Orkney sourced food and drink products. (including maintenance of Bere Barley supply chain) Further develop supply chains relating to researched crops and build on international collaboration opportunities. Undertake quarterly budget review and if necessary make necessary saving to achieve financial sustainability. Ensure preparation for next REF continues to UHI schedule.</p>	<p>Aug 2018 – Aug 2019</p> <p>Aug 2018 – Aug 2019</p>	<p>JD</p> <p>JD/CS /BR</p> <p>PM</p> <p>PM /BR /CS</p>	

OBJECTIVES	TARGETS	DEADLINE	LEAD	PROGRESS in 2018/19
	<p>Build on the establishment of the Institute for Northern Studies and relocation to new premises. Development work being undertaken to raise profile, and engage the contributions of staff from across UHI partners. Build on current areas of success of the INS, expanding research and student numbers. Undertake quarterly budget review and if necessary make necessary saving to achieve financial sustainability Ensure preparation for next REF continues to UHI schedule.</p> <p>Investigate opportunities for growing research profile in Art and Design, linked to research development in other UHI partners and cross sectoral developments in Orkney. Ensure preparation for next REF continues to UHI schedule.</p> <p>Undertake thorough 6 monthly reviews of financial performance of all business areas to ensure financial viability and where necessary undertake appropriate remedial actions</p>	<p>Aug 2018 – Aug 2019</p> <p>Aug 2018 – Aug 2019</p> <p>Aug 2018 – Aug 2019</p>	<p>DH</p> <p>DH /BR /CS</p> <p>AB/JW/ BR</p> <p>BR/CS/ JWi &amp; res. leads</p>	
<p>6. To establish suitable accommodation arrangements for students attending College whose family homes are in the outer isles or outwith Orkney</p>	<p>To maintain an accommodation list of self-catering rental and B&amp;B properties in Orkney suitable for students.</p> <p>To work with OIPDL to make full use of student housing facilitated by OIC.</p> <p>To actively engage in the Council Student Housing Working Group, acknowledging that the availability of student housing is becoming an increasing challenge.</p> <p>Arrange CMC Workshop on the subject of student housing</p> <p>To explore opportunities for young people from the isles to access Papdale Halls of Residence when studying at Orkney College as part of the 'Orkney Offer'.</p>	<p>Maintain</p> <p>Aug 2019</p> <p>Dec 2018</p> <p>Dec 2018</p> <p>Aug 2019</p>	<p>BR/JW/ EK</p> <p>BR/JW/ EK</p> <p>BR</p> <p>BR/ JRS</p> <p>BR / WW</p>	
<p>7. Curriculum Developments planned in specific curriculum areas. (Note: Any curriculum development at FE will replace existing offer as SFC is not funding net growth. Small HE growth achievable as growth of HE can be funded)</p>	<p><b>Agriculture</b></p> <p>Keep under review opportunity for offering HNC Agriculture in partnership with other UHI partners dependent on demand.</p> <p><b>Archaeology</b></p> <p>Develop and deliver (subject to demand) SVQ Archaeology.</p>	<p>Aug 2019</p> <p>Aug 2019</p>	<p>BS</p> <p>IM/JD</p>	



OBJECTIVES	TARGETS	DEADLINE	LEAD	PROGRESS in 2018/19
	<p><b>Art &amp; Design</b></p> <p>Deliver Art &amp; Archaeology course</p> <p><b>Business Engagement</b></p> <p>Keep course offer and pricing structure under review to ensure competitiveness.</p> <p><b>Care</b></p> <p>Continue to support the development of Generic Care Worker SVQs.</p> <p>Deliver Foundation Apprenticeship in Care for Orkney Offer. Funded by SDS.</p>	<p>Aug 2019</p> <p>Aug 2019</p> <p>Aug 2019</p> <p>Aug 2018/19</p>	<p>AB</p> <p>TB / JW / BR</p> <p>WB</p> <p>WB</p>	
	<p><b>Construction</b></p> <p>Work with SDS and CITB to encourage employers, where possible, to take on an increased number of apprentices as long term investment</p> <p><b>Energy/Engineering</b></p> <p>Expand engineering offer to schools and young people</p> <p>Introduce Foundation Apprenticeship in Engineering or equivalent vocational programme as part of 'Orkney Offer'. – Promotion funded by SDS</p> <p><b>Maritime</b></p> <p>Develop Advanced Fire Training courses using new upgraded facility established at Kirkwall Airport.</p> <p>Deck Rating Apprenticeship to be developed over coming three years. Start date depends on current market research.</p> <p><b>School/College</b></p> <p>Agree revised college / school timetable for 2018/19 to facilitate new senior phase provision. Review for 2019/20</p>	<p>Aug 2018/19</p> <p>Aug 2018/19</p> <p>Aug 2019</p> <p>Dec 2018</p> <p>Aug 2018/21</p> <p>Aug 2019</p>	<p>MR</p> <p>MSh</p> <p>MSh</p> <p>MSh</p> <p>MSh</p> <p>BR</p>	

OBJECTIVES	TARGETS	DEADLINE	LEAD	PROGRESS in 2018/19
	<p>Promotion of wider UHI networked delivery options for senior phase students as part of Orkney offer from August 2018</p> <p>Handyperson Course - Investigate the options for establishing a locally certificated course to multi-skill people living on the outer isles in practical skills such as PAT testing, basic plumbing / maintenance</p>	<p>Aug 2019</p> <p>Aug 2019</p>	<p>BR</p> <p>BR</p>	
<p>8. To ensure that the College operates within its budget and that it operates on sound financial planning principles and respond to Scottish Government Reform Priorities</p>	<p>Balanced Annual Accounts</p> <p>Student number returns report achievement of student number targets</p> <p>Achievement of financial security as demonstrated by balance of income and expenditure on a year on year basis.</p> <p>Clean Financial and SFC Funding Credits Audits</p> <p>Financial Forecast Return (FFR) project sustainability</p> <p>Ensure appropriate staff are trained / empowered to monitor their own budgets</p> <p>Achieve the SFC Funding Credits target of 3,622.</p> <p>All three business / research areas achieve balanced budget in order to avoid adverse impact on overall college budget. Introduce compensatory savings actions if this is not likely to be achieved.</p>	<p>Mar 2019 &amp; Annually</p> <p>Aug 2019 &amp; Annually</p> <p>Mar 2019 &amp; Annually</p> <p>Oct 2018 &amp; Annually</p> <p>Sept 2018 &amp; Annually</p> <p>Annually</p> <p>August 2019</p> <p>Aug 2019</p>	<p>BR</p> <p>BR</p> <p>CS</p> <p>CS</p> <p>CS</p> <p>CS/ BR</p> <p>BR</p> <p>BR / CS</p>	
<p>9. To comply with the financial and reporting requirements of Orkney Islands Council (OIC), Scottish Funding Council (SFC), Highlands and Islands Regional College, the University of the Highlands and Islands (UHI) and other funding bodies.</p>	<p>Annual Accounts returns</p> <p>Completed Student data returns</p> <p>Successful SFC Funding Credit Audits</p>	<p>April 2019 &amp; Annually</p> <p>Aug 2019 &amp; Annually</p> <p>Oct 2018 &amp; Annually</p>	<p>CS</p> <p>CS</p> <p>CS</p>	

OBJECTIVES	TARGETS	DEADLINE	LEAD	PROGRESS in 2018/19
10. To maximise business efficiency across teaching, research and support areas.	<p>Review admissions numbers to ensure classes are viable (N.B. New methods required due to change in FE funding methodology).</p> <p>Improve efficiency of room utilisation, student timetabling and staff deployment through introduction of CELCAT timetabling software in autumn 2018.</p>	<p>Aug 2018 &amp; annual review</p> <p>Oct 2018</p>	<p>BR</p> <p>BR / LS / AM</p>	
11. To review College structures and business model to ensure that the College continues to be sustainable following the introduction of National Bargaining and changes in UHI model for allocating FE funding.	<p>To review the management structure of the College and develop a business model to ensure long term sustainability, taking in to account the implications of National Bargaining and Financial Forecast Report guidelines from the Scottish Funding Council</p> <p>Seek to influence decision making on new Highlands and Islands Regional FE funding methodology to achieve an increase in annual FE funding of that fully recognises SFC guidance on remoteness funding.</p>	<p>Aug 2018 – Aug 2020</p> <p>Aug 2018 – Aug 2019</p>	<p>BR / CMT</p> <p>BR/ CS</p>	
12. To raise awareness of the economic benefits of Orkney College UHI to the Community.	<p>Arrange awareness raising briefings and visits of CMC Members to departments</p> <p>College Management Council Membership – One vacancies for ‘business member’ – arrange to advertise &amp; recruit</p> <p>Arrange Open Days for a wide range of members of the community to increase understanding of the services and benefits that the College provides</p>	<p>Oct 2018 &amp; Annually</p> <p>Jan 2019</p> <p>June 2019</p>	<p>BR</p> <p>BR / CMC</p> <p>BR / CMC</p>	
13. To strengthen collaborative work with schools, employers and other organisations.	<p>Regular engagement with Education Authority, schools, SDS, Orkney Health and Care, Job Centre Plus and local employers.</p> <p>Participation in Open Days at Schools and other events such as Careers Fayres.</p> <p>Engagement with UHI regarding changes in Construction Skills and Orkney Construction Training Group.</p> <p>Provision of training for OIC – on-going work to establish College as a key provider of training for the Council.</p> <p>Look for opportunities for closer working within the wider Education Service and work jointly on delivery of the Service / Council Plan.</p>	<p>Aug 2018 &amp; on-going</p> <p>Aug 2018 &amp; on-going</p> <p>Aug 2018 &amp; on-going</p> <p>Aug 2018 &amp; on-going</p> <p>Aug 2018 &amp; on-going</p>	<p>CMT</p> <p>JW</p> <p>BR / CS</p> <p>CMT</p> <p>BR / JW</p>	

OBJECTIVES	TARGETS	DEADLINE	LEAD	PROGRESS in 2018/19
	Engagement with all providers of 'employability' services – ensuring coordination of activities Employability Strategic Group.	Aug 2018 & on-going	BR	
14. To be a full partner in the local Community Planning Partnership	<p>To make a full contribution as a statutory partner in the Community Planning Partnership</p> <p>To ensure that the College is appropriately represented on relevant Community Planning Partnership strategy and working groups.</p>	<p>Aug 2018 &amp; ongoing</p> <p>Aug 2018 &amp; ongoing</p>	<p>BR</p> <p>BR/ CMT</p>	
15. To engage in partnership working locally, nationally and internationally.	<p>Maintain an influential presence on UHI key strategic groups including, Partnership Council; Partnership Planning Forum; Learning &amp; Teaching Committee, Finance Directors Group and other steering groups.</p> <p>Continue to Chair the UHI Senior Managers Curriculum Team (SMCT) ensuring a high level of OC participation in Regional College developments including FE VLE developments and sharing of curriculum development / delivery</p> <p>Partnership working to be undertaken by College curriculum areas at local level and some national</p> <p>Partnership working to be undertaken by College research areas at college, local, national and international level</p> <p>To take a lead role in promoting the need for (and benefits of) of all academic partners promoting a wide range of networked degrees to students in their locality</p> <p>Greater networking of HNC/D provision, building on successful work with North Highland and Shetland colleges</p> <p>Engagement of staff in major developments and processes e.g. curriculum; research, quality, Re-approval events; subject review; staff development; quality processes ; CPD systems; academic planning; Postgraduate taught (PGT) courses.</p>	<p>Aug 2018 &amp; ongoing</p> <p>Aug 2019</p> <p>Aug 2018 &amp; ongoing</p> <p>Aug 2018 &amp; ongoing</p> <p>Aug 2019</p> <p>Aug 2018 &amp; on-going</p> <p>Aug 2018 &amp; on-going</p>	<p>BR / JW / CS</p> <p>BR</p> <p>CMT</p> <p>DH / JD / PM / AB</p> <p>BR</p> <p>BR / JW</p> <p>CMT</p>	
16. To be responsive to the needs of the business community.	<p>Ensure a responsive Short Course / CPD programme</p> <p>Maintain effective industry advisory boards for each curriculum area. Target of all areas having an operational advisory group.</p>	<p>Aug 2018 &amp; annually</p> <p>Mar 2019</p>	<p>CMT</p> <p>CMT</p>	

OBJECTIVES	TARGETS	DEADLINE	LEAD	PROGRESS in 2018/19
	<p>Establishing research / industry links. Supporting the establishment of supply chains through Knowledge Transfer</p> <p>The Regional College has identified a priority of improving the level of engagement with business and industry and particularly SMEs regarding curriculum development and more broadly. Work with regional lead for employer engagement to promote Orkney College training services across the region.</p>	<p>Aug 2018 &amp; on-going</p> <p>Aug 2019</p>	<p>BR + research leads</p> <p>BR &amp; CMT</p>	
<p>17. To use key performance indicators (KPI) to inform strategies to improve year on year student retention and achievement.</p>	<p>Review and analysis of PIs by Course Teams, Curriculum areas and CMT.</p> <p>All Course Annual Reports (CAR) to include clear analysis of KPI data including benchmarking against national data where available. Inclusion and effectiveness to be monitored by Assistant Principals.</p> <p>The baseline for the number and proportion of students achieving a nationally recognised qualification in the Regional College will be established and reviewed annually by Senior Managers Curriculum Team to decide if this is to be increased.</p> <p>Attainment rate target for College for 2016-17 will again be to exceed national attainment figures with focus this year on course level targets and use by staff of PIs at course level to improve learning experience.</p>	<p>Oct 2018</p> <p>Nov 2018</p> <p>Mar 2019</p> <p>Jan 2019</p>	<p>CMT</p> <p>CMT</p> <p>BR</p> <p>CMT / CLs</p>	
<p>18. To increase student engagement in the work and life of the College.</p>	<p>College student engagement officer to work with student course representatives to organise a sequence of student engagement activities throughout the year.</p> <p>Ensure that student representatives on College committees, including the College Management Council receive appropriate induction and schedule space for student input on agendas.</p> <p>Provide training for student representatives to ensure that they understand their role fully, including feeding back to their peers following course review and other committee involvement.</p>	<p>Aug 2019</p> <p>Oct 2018</p> <p>Oct 2018 &amp; annually</p>	<p>JW</p> <p>JW</p> <p>JW</p>	
<p>19. To demonstrate rigour and consistency in self-evaluation leading to enhancement of learning and teaching.</p>	<p>College Management Council monitoring and reporting on quality. Through CMC Quality group. Ensure that Quality Group meets regularly in 2018/19</p> <p>New Chair for Quality Group to be recruited from 'business' and 'community members of the CMC</p>	<p>Aug 2019</p> <p>Nov 2018</p>	<p>BR</p> <p>BR / Chair</p>	

OBJECTIVES	TARGETS	DEADLINE	LEAD	PROGRESS in 2018/19
	<p>Produce annual combined UHI Quality Monitoring Report and SFC Statement of Institution-led Quality Review Activities</p> <p>Annual review of learning teaching and assessment strategy</p> <p>Engagement with students regarding self- evaluation of learning &amp; teaching</p> <p>Undertake student reviews at course level using Curriculum self-evaluation tool.</p>	<p>Sept 2018 &amp; annually</p> <p>June 2019 &amp; annually</p> <p>Jan 2019</p> <p>Dec 2018 &amp; annually</p>	<p>BR</p> <p>BR</p> <p>BR</p> <p>BR</p>	
<p>20. To engage proactively with Education Scotland and work with UHI Partners to monitor regional performance</p>	<p>Maintain, and build on, the positive outcome from Education Scotland Full Review with a minimum target of satisfactory quality ratings (Regional College target). Obtain Confidence ratings in all aspects of Education Scotland Full Review / Annual Education Scotland validation of College Self-Assessment.</p> <p>Implement action plan for improvement following Annual validated Self-Assessment. Contribute to delivery of UHI overarching quality enhancement plans</p> <p>The SFC and Education Scotland have introduced a new quality framework 'How Good is Our College' to be implemented from Aug 2017. During 2016/17 the College established the internal processes necessary for this to operate and trial the reporting procedures. Additional visits will be made by the College HMI to assist the College in these developments</p>	<p>Jan 2019</p> <p>Aug 2019</p> <p>Oct 2018</p>	<p>CMT</p> <p>CMT</p> <p>BR</p>	
<p>21. To work towards becoming a Greener College</p>	<p>The Region will, with SFC support, put in place a sustainability framework which the nine colleges will use to ensure that there is consistency of approach – ongoing discussion in Regional College.</p> <p>Complete Environmental / Energy monitoring report for SFC</p> <p>The Regional Board will have agreed its key estates priorities by the end of academic year 2018-19</p> <p>Established baseline carbon footprint for Orkney College in 2015/16, engaging with Zero Waste Scotland. and using SFC framework – Update annually</p> <p>Ensure that College statutory reporting on green priorities takes place – N.B. Support from Technical Services required to gather necessary estates information and plan priorities for action.</p>	<p>Mar 2019</p> <p>Dec 2018</p> <p>Jul 2019</p> <p>Aug 2019</p> <p>Nov 2018</p>	<p>BR</p> <p>BR</p> <p>BR/ FERB</p> <p>BR</p> <p>BR</p>	

**Appendix A****ABBREVIATIONS**

BA	Bachelor of Arts
BSc	Bachelor of Science
CMC	College Management Council
CMT	College Management Team
ECDL	European Computer Driving Licence
ELS	Extended Learning Support
ERDF	European Regional Development Fund
ESF	European Structural Fund
ESIF	European Strategic Investment Fund
FA	Foundation Apprenticeship
FE	Further Education
FTE	Full time equivalent
HE	Higher Education
HIE	Highlands and Islands Enterprise
HNC	Higher National Certificate
HND	Higher National Diploma
ICT	Information and Communication Technology
IT	Information Technology
LAN	Local Area Network
LTQC	Learning, Teaching & Quality Committee
MA	Master of Arts
MCA	Maritime and Coastguard Agency
NC	National Certificate
OC	Orkney College
OIC	Orkney Islands Council
PC	Partnership Council (formerly HEPPRC)
PDA	Professional Development Award
PPF	Partnership Planning Forum
SCQF	Scottish Credit and Qualification Framework
SFC	Scottish Funding Council
S.G.A.	Scottish Group Awards
SMCT	Senior Managers Curriculum Team
SMT	Senior Management Team
SQA	Scottish Qualification Authority
SUM	Student Unit of Measurement
SVQ	Scottish Vocational Qualification
TDLB	Training and Development Lead Body
TQFE	Teaching Qualification Further Education
UHI	University of the Highlands and Islands
WAN	Wide Area Network