

Board of Management

Minutes

Meeting reference: Board2012-13/04

Date and time: Wednesday 26 June 2013 at 5.30pm

Location: Room 308

Members present: Penny Brodie, Derek Forgan, Dolores Garden, Dr Harold Gillespie, Ian Jackson (*to item 5.1*) Ian Marr, Ian Mathers, John McDonald, Dr Thomas Moore, Alistair Napier and Norman Wilson.

Apologies: Mark Bell

By invitation: Heather Greig (*to item 13*)

In attendance: Susan Bald, Director of Human Resources and Communications
Kirstie Graham, Clerk to the Board
Margaret Munckton, Assistant Principal
Iain Neilson, Director of Finance and Resources

Chair: Penny Brodie
Minute Taker: Kirstie Graham
Quorum: 8

Summary of Action Items			
Ref	Action	Responsibility	Time Line
5.1	To comment on the revised UHI Articles of Association, copied to the Highlands and Islands Regional Lead, the Associate Principal for FE, Academic Partner Chairs and Principals.	Chair/Clerk	By 1 July 2013
7	To forward signed One Year On Report to SFC	Clerk	By 1 July 2013
13	To arrange a meeting to discuss the ONS reclassification with the Principal and Finance Director of the four other UHI Academic Partners affected.	Principal & Finance Director	July/August 2013
	To seek assurance from SFC that College reserves currently committed could be used for the planned investment by the College and to gain clarity on any necessary timelines.	Principal & Finance Director	July 2013

Item

1 Welcome and Apologies

The Chair welcomed everyone to the meeting and noted that a starring system is being used with only starred items for discussion.

Action

She welcomed Heather Greig, who had recently been elected as Student Association convenor for Finance and Facilities and would be the student Board member from 1 July 2013. Heather had requested permission to record the meeting on her mobile phone for her own personal use. The Chair asked members to confirm there was no objection to this. Any recording was strictly for Heather's private use and Heather had agreed it would not be circulated or shared elsewhere. Board members voiced no objections, so this was agreed.

The Chair noted that this is Ian Marr's last meeting as he is moving away from Perth. Ian has been a Board member since September 2006 and latterly Chair of the Engagement Committee. On behalf of the Board, she thanked Ian for all his work for the College and wished him well for the future

Apologies were noted.

2 Additions

There were no additions to the agenda.

3 Declaration of Interest in any Agenda Item

There were no declarations of an outside interest in any agenda item.

4 Minutes of Meeting Held on Wednesday 19 December 2012

The minutes were approved as a correct record.

5 Matters Arising from Previous Minutes

5.1 UHI Articles of Association

This was a starred item. Following the Board meeting on 20 March 2013, Perth College UHI had provided comments on draft UHI Articles of Association. Revised UHI Articles of Association were circulated by Fiona Larg, Chief Operating Officer and UHI Secretary, to Academic Partner Colleges for comment on 10 June 2013.

Members considered initial comments drafted by the Clerk to the Board. The Board continued to hold the view that the timing of this revision to the Articles was inappropriate due to a number of factors, including the Post-16 Education (Scotland) Bill, ONS reclassification of incorporated FE colleges and the need to review

and update the Academic Partnership Agreements.

It was agreed that the Chair would provide feedback on behalf of the Board, in the form of detailed comments with a covering letter expressing the Board's concerns about the timescale. This would be copied to the Highlands and Islands Regional Lead, the Associate Principal for FE, Academic Partner Chairs and Principals.

Ian Jackson left the meeting at this point.

5.2 Post 16 Education (Scotland) Bill

As agreed at the Board meeting on 20 March 2013, the Chair had sent a communication to stakeholders concerning the Post-16 Education (Scotland) Bill and the implications for UHI and Perth College. Perth College had contributed actively to seeking to shape the Bill through its legislative journey, as an individual College and through the shadow Regional Board.

An amendment submitted for Colleges in the Highlands and Islands region to support the 'double lock' for FE funding through the University had been drafted to reflect some of these concerns. The Post 16 Education (Scotland) Bill had its third stage reading today and a final version of the Bill is awaited.

6 Students Association Update

The Chair invited Margaret Munckton, Assistant Principal, to speak to this item. She reported that the Students Association convenor roles had been revised for the election of convenors for session 2013/14. The revised roles and the results of the elections for convenors for 2013/14 had been circulated to the Board.

Previously, one convenor had attended the Board and all its committees. There would now be a sharing of committee attendance across the convenor roles. Members welcomed this as an opportunity for more students to be involved in the governance of the College.

7 Education Scotland One Year On Report

The One Year On Report in respect of the College's Education Scotland College Review was lodged with the Scottish Funding Council by the deadline of 11 June 2013. This needed to be ratified by the Board and signed off by the Chair and the Principal.

Agreed: to approve the One Year On Report in respect of the College's Education Scotland College Review.

8 **Strategic Plan**

The Board had received a Strategic Plan 2013-16, which had been revised following the Board comments at the Away Day on 1 June 2013. The Strategic Plan has been subject to extensive consultation internally and externally and now required formal Board approval. The next steps would be to develop wrap around content and visuals for publication. This will be taken forward by the Senior Management Team over the summer.

The Balanced Scorecard still requires further work to finalise the measures that will be used. These will be linked to the targets in the Regional Outcome Agreement.

Agreed: subject to minor amendments, to approve the Strategic Plan 2013-16

9 **Budget for 2013/14**

This was a starred item. The budget for 2013/14 was considered by Finance and General Purposes Committee at its meeting on 17 June and recommended to Board for approval.

Iain Neilson asked members to note that this had been prepared on a 12 month basis, but the likelihood was that with the ONS reclassification of incorporated colleges back to within Central Government, the year-end would become 31 March 2014 and there would therefore be an 8 month accounting period and this budget would accordingly be amended pro rata.

The aim was to achieve a balanced budget, rather than seek to generate an operating surplus. It should be noted that efficiency gains were necessary with the cut in FE grant funding, so this was a good position to achieve in that context.

It should also be noted that in 2012-13, there had been considerable investment in new academic equipment that will impact positively on the student experience.

Board members welcomed the clarity of the presentation of the budget and commended Iain and his team for their work. Members also recognised the efforts of all budget holders to use resources wisely and to the maximum benefit of students.

Agreed: to approve the Budget for 2013/14.

10 **Regional Outcome Agreement (ROA) Sign Off**

This was a starred item. The Board received the Regional Outcome Agreement with the Scottish Funding Council

for the Highlands and Islands region for 2013/14.

This will be signed off by James Fraser, for the University of the Highlands and Islands and Michael Foxley for the (shadow) FE Regional Board. The Principal, Dr Moore, recommended the Regional Outcome Agreement and assured members the College could deliver on its commitments within the ROA.

Agreed: to approve the Regional Outcome Agreement 2013/14 in acknowledgment of the College's responsibilities in respect of the outcomes and targets in Part 1 and Part 2.

11 Shared Services Update

The Chair invited Susan Bald to speak to this item. Susan provided a brief overview of the Fort Augustus event in mid-April 2013 and informed members that Perth College UHI had signed the Fort Augustus 2 Agreement, which is a statement of intent for Academic Partners to demonstrate their commitment to shared services.

UHI Shared Services Limited has been set up to create an entity that will be ready to act once any decisions are made about shared services. However, the 'operationalisation' of the company would not begin until that point.

It was agreed that Perth College UHI should sign up to and participate in the creation of UHI Shared Services Limited with Dawne Hodgkinson, Information Services and Procurement Director, registered as a Director. The Articles of Association that 'operationalise' the company are still to be agreed.

UHI Learning Information Service (LIS) is being considered as a shared service and a due diligence exercise would be carried out before any recommendation comes forward to the Board about Perth College moving to an LIS shared service.

12 Chair's Report

The Chair informed members that the Executive Office had overspent its budget by around £1.18 million and recruited more than 20 new staff. This was disappointing in the light of the recommendations of the Capita report, funded by SFC.

The Chair drew members' attention to the File Note from the Board Away Day on 1 June 2013 and in particular to the Board self-evaluation.

The Chair noted that the shadow FE Regional Board had met on 17 June 2013 and Ian Mathers had attended on her behalf.

13 Office of National Statistics (ONS) Reclassification of Colleges

This was a starred item. As discussed at the Board Away Day on 1 June 2013, since 1993, incorporated FE Colleges in Scotland have been categorised as “Not for Profit Institutions Serving Households”. This classification meant that FE Colleges were deemed to be outside of the Public Sector for UK National Accounts purposes.

Following a review in May 2010, ONS decided that Colleges should be part of central government within the UK National Accounts. This will, potentially, have a severe negative impact on the College, reversing many of the benefits of incorporation, including the ability to use commercial and non-grant funded activity to generate reserves that could be invested in the future to benefit the student experience.

There had been a briefing on this provided by KPMG commissioned for Colleges Scotland and Regional Leads to look at mitigation strategies, especially using local authority frameworks/schemes

Perth College had separately commissioned Thorntons to look at mitigation strategies, especially using UHI, and to consider the impact on AST and the Development Trust.

The Clerk provided an overview of the briefings, which would be posted onto the Board portal for members to consider.

Heather Greig left the meeting at this point.

Following wide ranging discussion, it was acknowledged that there was no easy and ethical solution to the issue

There was discussion of the possibility of using UHI as an umbrella body for the five academic partners affected by reclassification. It was agreed that Dr Moore and Iain Neilson should arrange to meet with the other four incorporated college Principals and Finance Directors to explore this possibility.

The Development Trust is a separate entity and a registered charity in its own right, so any funds held by it should not be accounted for as College funds, nor should they be susceptible to any claim by the Scottish Government. However, the Trust Deed includes a number of provisions which allow the College to control the Trust and it may be necessary to amend the Trust Deed to enable the Development Trust to continue to fundraise in order to benefit learners in Perth College.

AST is part of the College and will therefore come under the ambit of the College for reclassification.

Perth College had already committed reserves to major projects, including a new sports and leisure facility, all weather pitch and refurbishment of the old halls of residence. It would be prudent to seek assurances from SFC that reserves already committed would be available to the College to use on planned investments

Going forward, the College should ensure it does not generate further reserves as these would not be available to benefit College staff and students and other stakeholders but would go into Central Government to offset any deficits there.

14 **Principal's Remarks**

Dr Moore updated the Board on relevant College business, including:

- The outcome of the national TV series 'The Chefs Protégé' which saw Perth College student Jamie MacKinnon win a national competition to gain the prize of being mentored by Michelin starred chef Tom Kitchen, himself a former Perth College UHI student who studied under Ian Gibb, Subject Leader for Hospitality.
- The FE Prizegiving on 6 June 2013 had been held on campus and was a great celebration of achievement. Over forty employers attended, which evidenced the tie-in between the College and employer organisations.
- Two members of Perth College academic staff are (or will be) on secondment, one to Oxford University from October 2013 and one presently to Cambridge University, demonstrating the calibre of the staff at the College.
- Recruitment for HE and FE was healthy and on target.
- The Staff Conference on Friday 21 June was a great success and shared innovative practice across the College
- Mr James Fraser, Principal and Vice Chancellor of UHI had recently announced his plan to retire by the end of December 2013.
- A meeting between the new Chair of the Development Trust and the new Chair of the Campaign Board had resulted in an ill-advised and ill-informed communication being circulated. Dr Moore will take appropriate action to minimise the reputational damage to the College.

15 **CPD Evening – 8 May 2013**

Received: File note from the Board training evening for noting.

16 **Minutes of Standing Committees**

16.1 Academic Affairs Committee – 26 March and 12 June 2013

Approved: Minutes of the meetings held on 26 March and 12 June 2013

16.2 Audit Committee – 4 June 2013

Approved: Minutes of the meeting held on 4 June 2013

16.3 Finance and General Purposes Committee – 1 May and 17 June 2013

Approved:

- Minutes of the meetings held on 1 May and 17 June 2013
- Budget 2013/14

16.4 Engagement Committee – 16 May 2013

Approved: Minutes of the meeting held on 16 May 2013

16.5 AST Board of Directors - 22 April and 10 June 2013

Approved: Minutes of the meetings held on 22 April and 10 June 2013

16 **Annual Reports to the Board**

16.1 Attendance at Meetings 2012/13

Received: Members' Record of Attendance at Meetings of Board and Standing Committees for the period including the Board meeting on 27 June 2012; up to, but not including the Board meeting on 26 June 2013.

16.2 Schedule of meetings 2013/14

Received: The schedule of Board of Committee meetings for 2013/14

16.3 FOI/Data Protection Requests

Received: a summary of Freedom of Information/Data Protection and Environmental Impact Requests received by the College in the period June 2012-13, with the outcome

18 Review of meeting

Members agreed that there were a number of complex areas to be grappled with at this time. The briefings provided to the Board had been appropriate and helpful and had facilitated a high quality of debate.

19 Documents uploaded onto Board Portal

Noted: documents uploaded onto the portal since the last Board meeting, as follows:

- Revised UHI Articles of Association with tracked changes
- Update on Stage 2 of Post-16 Education (Scotland) Bill
- HMI Annual Engagement Visit Report
- Scotland's Colleges Newsletter: Governing in a Regional Structure, Issues 12, 13 & 14
- Board/SMT/CMT Monthly Bulletin – March, April & May 2013
- The Commission for Developing Scotland's Young Workforce established under Sir Ian Wood - Terms of Reference and Consultation
- Stage 1 Report on the Post-16 Education (Scotland) Bill
- UHI Revised Articles of Association (earlier version)

Information recorded in College minutes are subject to release under the Freedom of Information (Scotland) Act 2002 (FOI(S)A). Certain exemptions apply: financial information relating to procurement items still under tender, legal advice from College lawyers, items related to national security.

Notes taken to help record minutes are also subject to Freedom of Information requests, and should be destroyed as soon as minutes are approved.

Status of Minutes **Open** ☒ **Closed** ☐

An **open** item is one over which there would be no issues for the College in releasing the information to the public in response to a freedom of information request.

A **closed** item is one that contains information that could be withheld from release to the public because an exemption under the Freedom of Information (Scotland) Act 2002 applies.

The College may also be asked for information contained in minutes about living individuals, under the terms of the Data Protection Act 1988. It is important that fact, rather than opinion, is recorded.

Do the minutes contain items which may be contentious under the terms of the Data Protection Act 1988? Yes ☐ No ☒