Board of Management

Agenda

Meeting reference: Board 2018-19/04
Date: Wednesday 12 June 2019 at 5.30pm
Location: Room 019 – Brahan Building
Purpose: Scheduled meeting

* Denotes items for discussion.
Members should contact the Secretary in advance of the meeting if they wish to request an item be starred.

	Agenda Items	Author	Led by	Paper
1.	Welcome and Apologies		Chair	
2.	Additions to the Agenda		Chair	
3.	Declaration of a Conflict of Interest in any Agenda Item		Chair	
4. *	Minutes of the meeting held on 20 March 2019	Secretary	Chair	Paper 1
5. *	Actions arising from previous minutes		Chair	Verbal
6. *	HISA Perth College Update	Student President	Student President	Verbal
7. *	College Governance – Union nominees on College Boards		Chair	Verbal
8. *	Regional Outcome Agreement	UHI	Depute Principal – Academic	Paper 2
9. *	Evaluation of Regional Strategic Board	Principal	Principal	Paper 3
10.*	Programme Board: Governance and Accountability Work Group	Chair	Chair	Verbal
11.*	Chair's Report		Chair	**Verbal** (Paper 4 removed)
12.*	Principal's Report	Principal	Principal	Paper 5
13.*	Indicative Budget 2019-20	Head of Finance	Principal	**Verbal** (Paper 6 removed)
14.*	Tay Cities Deal Update – Aviation Academy for Scotland	Vice Principal (External)	Vice Principal (External)	Paper 7

University of the Highlands and Islands
Perth College

	Agenda Items	Author	Led by	Paper
15.*	AST Business Plan	General Manager	Chair AST	Paper 8
16.*	Construction Industry Training Board - Subcontracting Issue	Vice Principal, External Engagement	Vice Principal, External Engagement	Paper 9
17.	Policies • Display Screen Equipment (DSE) Policy	Head of HR & OD	Principal	Paper 10
18.	Graduation Fees – Care Experienced Students	Michelle Gilmore, UHI	Principal	Paper 11
19.	Calendar of meetings 2019-20	Secretary	Secretary	Paper 12
20.	Minutes of Board Standing Committees (approved by Committee Chair but unconfirmed by full Committee at this stage) For the Board of Management to note.			
19.1	Engagement Committee – 2 May 2019	Secretary	Chair - Engagement	Paper 13 **Closed**
19.2	Academic Affairs – 7 May 2019	Secretary	Chair – Academic Affairs	Paper 14
19.3	Audit Committee – 14 May 2019	Secretary	Chair – Audit	Paper 15
19.4	Finance and General Purposes Committee – 22 May 2019	Secretary	Chair – F&GPC	Paper 16
19.5	AST Board – 23 May 2019	Secretary	Chair - AST Board	Paper 17
21.	Date of next meeting – to be confirmed			
22.	Review of meeting		Chair	

Board of Management

Minutes

Meeting reference: Board 2018-19/03
Date and time: Wednesday 20 March 2019 at 5.30pm
Location: Room 019

Members present: Margaret Cook, Brian Crichton, Jim Crooks, Declan Gaughan, Harold Gillespie (until 7.30pm), Sharon Hammell, Prince Honeysett, Deborah Hutchison, Ann Irvine, David Littlejohn, Lynn Oswald, Craig Ritchie, Charlie Shentall,

Apologies: Andrew Comrie, John Dare, Anna Zvarikova, Catherine Etri

In attendance: Katrina Hodgson (co-opted Board Member)
Lorenz Cairns, Depute Principal (Academic)
Veronica Lynch, Vice Principal (External)
Maureen Masson, Secretary to the Board of Management

Chair: Brian Crichton
Minute Taker: Maureen Masson
Quorum: 6

Ref	Action	Responsibility	Time Line
Summary of ongoing Action Items for next Board meeting arising from previous meetings			
14.	**Balanced Scorecard** Bring the revised Balanced Scorecard back through the Committee cycle	Principal	For 4th block of meetings
Summary of ongoing Action Items for next Board meeting arising from this meeting			
15.	**HISA Perth College Update** Include the Student Mental Health Agreement on the agenda for Engagement Committee	Secretary	For 2 May 2019 meeting
7.	**Board Effectiveness** The development evening should focus on developing an action plan. Invite a CDN representative and consider inviting the UHI Dean of Students and HISA President.	Chair/Secretary	For development evening agenda
8.	**College Governance – Ministerial Letter** Strengthen the section on conflict of interests and charity trustees responsibilities at Board induction	Chair/Secretary	For Board induction sessions

Ref	Action	Responsibility	Time Line
13	**Tay Cities Deal** Provide updates to the Chairs Committee and Board as required	Vice Principal (External)	June Board meeting

Minutes

		Action

1 **Welcome and Apologies**

The Chair welcomed everyone to the meeting. Apologies were noted.

2 **Additions to the Agenda**

There were no additions to the Agenda.

3 **Declaration of Interest in any Agenda Item**

There were no declarations of a conflict of interest in any agenda item.

4 **Minutes of Meeting held on Wednesday 12 December 2018**

The minutes were approved subject to the correction of a couple of typographical errors. In addition, on page 7, item 15, reference in the final paragraph should be made to the micro Resource Allocation Model (RAM) not the Regional Outcome Agreement (ROA).

*5 **Matters Arising**

From previous Board meetings

14. Balanced Scorecard Action - provide an update at the next meeting

Action Update - the Principal reported that a draft revised Balanced Scorecard would be presented through the next round of Committees for implementation in Academic Year 2019/20

Principal

10. Pathways/Outreach Centres (Closed)

Action: report the outcome of the review to the next Board meeting.

Action Complete: the Board considered this item at its meeting in December 2018.

8. Audit Committee Annual Report

Action: check the Reference to the UK Corporate Governance Code on page 10

Action Complete: reference should be made to the updated version of the guidance, April 2016

9. Draft External Audit Annual Report 2017-18

Action: provide feedback to EY regarding the approach to finalising the accounts

Action Complete: Feedback had been provided to the external auditors.

10. Draft Financial Statements 2017-18

Action: check representation on Audit and F&GPC committees with CDN

Action Update: The Chair reported that advice had been received from CDN and UHI on the matter of staff and student representation on Audit and F&GP committees. There was no reason to preclude staff and student members from these committees, so long as any potential issues and conflict of interests were appropriately managed and all committee members respected confidentiality. Revision to the governance manual would be taken forward in due course.

Secretary

13. Residences Option Appraisal

Action: take forward actions on residences option appraisal – withdrawal from project and re-tendering

Action complete: The Principal had provided feedback to UHI about the College's decision to withdraw from the UHI Residences project. No comments had been received. The Board noted two re-tenders to be taken forward in the next year.

14.2 Intellectual Property (IP) Policy

Action: Review other institutions' policies

Action Update: The Depute Principal reported that the IP policy had been developed outwith the University's Single Policy Framework approach. It was now hoped that a short life working group could be convened to help re-draft the policy in an appropriate style, with wider consultation.

15. Regional Outcome Agreement

Action: circulate presentation to Chairs' on the ROA that was discussed at December AP F&GPC meeting

Action Update: The presentation on the micro Resource Allocation Model was circulated.

17.5 Audit Committee

Action: take forward a reporting mechanism for high risk areas to the Board – to be discussed at Health and Safety Committee

Action Complete: The Principal reported that this action was complete

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*6   **HISA Perth College Update**

The Board noted the report introduced by the Student President and the outcomes from the recent student elections. The Board welcomed the reported improved voter turnout.

In relation to the Student Mental Health agreement, the Chair of Engagement Committee asked for it to be on the next Engagement Committee agenda. The Board further noted that the OBI awards would soon be held and that an invitation would be issued to all Board Members.   Secretary

*7   **Board Effectiveness**

The Chair introduced this item noting that the informal effectiveness review comprised three elements. The remaining items identified in the governance checklist would be taken forward and that those from the formal effectiveness review remained a work in progress. The questionnaire responses completed by Board Members could be grouped into themes and an Action Plan would be drawn up. The Chair summarised the key themes as follows:

- Further work on student engagement;
- Board visibility – internal and external;
- Strategic understanding and impact of policy/guidance;
- Financial sustainability;
- Board participation - ensuring that all voices are heard and consideration of a "buddy" for new Board Members;
- Introduction of time slots for agenda items; and
- Open communications wherever practicable.

The Board discussed the themes and the positive aspects that had been identified. All agreed that Board visibility and accessibility was important and improved use of social media might help build engagement with staff and students in a more meaningful and consistent way. The views of students should be sought and existing networks might be used e.g. through student representative council meetings. In addition, a Board Link scheme might be something that is worth considering and as well as the development of a Board portal.

It was agreed that the forthcoming Board Development evening would be an appropriate forum for the action plan to be developed. The Principal suggested it may be worthwhile inviting a CDN contact to

address the Board and an invitation could also be extended to the HISA President and Dean of Students, who would be presenting on the future of HISA at the next Engagement Committee meeting. | Chair/ Secretary

*8   College Governance – Ministerial Letter

The Board noted the ministerial letter which had been circulated by Colleges Scotland following decisions arising from the Good College Governance Consultation. The Board noted that some of the proposed actions would require primary legislation or legislative change.

The Board discussed the proposed actions, in particular the proposal to introduce two Trade Union Members to the boards of incorporated colleges. Concern was expressed about the potential for balance/ Board dynamic to change as a result, and one member outlined fundamental concerns. However, it was noted that as all Board Members had responsibilities as charity trustees, processes around conflicts of interest would have to be carefully managed. The Board recommended that induction for new Board Members should be strengthened to cover legal requirements and the conflicts of interest process in greater detail. | Chair

*9   Learning Centres (Closed paper)

The Depute Principal introduced the paper which set out the findings from a fact-finding exercise about the operation of the Learning Centres and the current financial position. The Board noted that F&GPC had recommended that the Learning Centres are closed and the rationale for that recommendation, taking account of the current funding environment, loss of rurality funding and nature of the provision.

The Board discussed the impact and sought assurances that all potential options for continuing with the operation of the learning centres had been explored. The Board was reassured that they had and that some provision offered in the learning centres would be available in College. The Board also noted that discussion had taken place with local politicians.

Taking account of all evidence, particularly the funding environment and the need for a sound financial footing going forward, the Board **approved** the closure of the three learning centres. The Board further recommended that the press and PR aspects related to the closure of the leisure centres be carefully managed to minimise any adverse publicity. The Principal indicated that communication with staff affected would start immediately and there may be options for redeployment or voluntary severance.

*10   Programme Board: Governance and Accountability Work Group

The Board discussed the paper circulated by the Governance and Accountability Working Group of the UHI Programme Board linking to

the accompanying video presentation given by the Vice Principal for Strategic Development.

Concern was expressed that culture, confidence and trust were perceived, rightly or wrongly, to be issues as much as governance/accountability weaknesses. The Board was of the view that culture change would be crucial in seeing the benefits arising from the implementation of transparent and unambiguous governance and decision-making processes. In conclusion, the Board agreed with the view of the Working Group that current arrangements for governance and decision making does impede the College's ability to deliver effectively at regional level. The Board agreed that the Working Group should continue its work and develop options for change, subject wider agreement from other APs and Court. The Chair will therefore report back to the working group along these lines.

Chair

*11 **Chair's Report**

The Chair reported on the following:

- The recent FERB meeting had discussed the impact of the pay awards and the Board noted ongoing SFC work to integrate the costs of national bargaining into the credit price. There continued to be a live debate about the approach to developing the ROA across the partnership and there was now a recognition of the need for a more inclusive approach. However, time was tight this year as the draft ROA had to be submitted to SFC in April. FERB had also discussed branding proposals;

- In terms of Employers Association business, the Board noted the sector-wide proposal to incorporate the salaries of College Principals and Senior Management Teams into the national bargaining process. A short life working group had been convened to look at this and the outcome of these deliberations would be reported in the next few weeks; and

- A meeting of the Programme Board was scheduled for 28 March 2019 and an update on the four work streams would be provided. The next Assembly was scheduled for 26 April 2019. It was expected that there would be some outputs for the Board to consider at its June 2019 meeting.

*12 **Principal's Report**

The Board noted the Principal's report. The Principal highlighted there continued to be HR systems issues.

*13 **Tay Cities Deal Update – Aviation Academy for Scotland**

The Vice Principal (External) introduced the paper and set out the background, structure and the approach to developing the full business

case for the Aviation Academy for Scotland (AAS) which was due to be submitted in September 2019. Before that, an outline business case would be submitted in June 2019 and whilst that timeframe was tight, it was considered to be achievable. The Board noted that capital funding of £6.03m was to cover the build cost and that existing equipment would be utilised in the new building. The College would also seek equipment donations. The financial case would set out how the College intended to meet running costs including opportunities for income generation. Following discussion the Board:

i.   noted the status of the Aviation Academy for Scotland project within the Tay Cities Deal (TCD) programme;

ii.   noted the status of the other Growth Deal bids relating to Aviation Skills being submitted in Moray and Ayrshire;

iii. endorsed the investment of £30,000 of consultancy expenditure to undertake the project scoping and financial case;

iv.   delegated authority to the College's Senior Management Team to submit the AAS outline business case by 26 April 2019;

v.   delegated authority for a sub committee of Perth College UHI Board (Chair's Committee) to endorse the development of a full business case for submission to TCD with an estimated date of September 2019, with updates provided at appropriate intervals; and

vi.   agreed that the College's Senior Management Team approach UHI Executive Office for funding for the professional fees associated with scoping this project, whilst noting the basis of that.

Vice Principal (External)

14   **Policies**

*14.1 **Safeguarding Policy**

The Board noted that the Policy had been developed as part of the UHI Single Policy Framework. The Board further noted the recommendation from Academic Affairs Committee that it should **not** be approved, as it required some "tidying up" and a check on referenced legislation.

*14.2 **Academic Appeals Policy**

Whilst noting the appeals process and grounds for appeal, the Board approved the Academic Appeals Policy that had been developed as part of the UHI single policy framework.

15   **UHI Quarterly Status Report**

The Board noted the UHI Report in particular work on branding and the Strategic funding initiative outcomes. The Board expressed disappointment that none of the Perth College bids had successful. The

Principal had fed back concerns regarding the submission criteria.

16   **Minutes of Standing Committees (unconfirmed)**

16.1   **AST Board – 29 January 2019**
        Noted. The Chair highlighted that the AST Business Plan would be available for the June Board meeting following its sign off by the AST Board on 7 May 2019. There would soon be a vacancy for an external board member/director and the post of General Manager would be advertised.

16.2   **Engagement Committee** – **31 January 2019**
        Noted. The Chair highlighted the schools prospectus and the ongoing work on the Student Engagement Plan.

16.3   **Academic Affairs – 12 February 2019**
        Noted.

16.4   **Audit Committee** – **19 February 2019**
        Noted. The Chair reported that the risk register and health and safety profile had been carefully reviewed at the last meeting. The Principal confirmed there were no health and safety matters which were a cause for concern.

16.5   **Finance and General Purposes Committee – 27 February 2019**
        Noted. The Principal raised a matter that had been discussed at the last F&GPC meeting about which advice was being sought from the internal auditors. A full update would be provided to the Board on receipt of the advice.

17   **Date of Next Meeting**

        12 June 2019

*18   **Review of Meeting**

        Members agreed the meeting covered Board business.

        A presentation of flowers and a vote of thanks was given to the Secretary who was leaving at the end of April to take up another role.

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 ☒ ☐ with removal of item 9 and any other closed items

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 General Data Protection Act 2018. It is important that fact, rather than opinion, is recorded.

Do the minutes contain items which may be contentious under the terms of the General Data Protection Act 2018?   No ☒ ☐

Perth College UHI

Paper No. 2

Committee	Board of Management
Subject	ROA
Date of Committee meeting	12/06/2019
Author	Diane Rawlinson
Executive summary of the paper	This is a spreadsheet where AP's can predict/ measure their contribution to regional target achievement
Consultation How has consultation with partners been carried out?	N/A
Action requested	☒ For information only ☐ For discussion ☐ For recommendation ☐ For approval
Resource implications (If yes, please provide details)	Yes/ No
Risk implications (If yes, please provide details)	Yes/ No Click or tap here to enter text.
Link with strategy Please highlight how the paper links to the Strategic Plan, or assist with:	This is the UHI ROA

Perth College UHI

• Compliance • National Student Survey • partnership services • risk management • other activity [e.g. new opportunity] – please provide further information	
Equality and diversity Yes/ No If yes, please give details:	No
Island communities Does this activity/ proposal have an effect on an island community which is significantly different from its effect on other communities (including other island communities)?	Yes/ **No** If yes, please give details: Click or tap here to enter text.
Data Protection Does this activity/ proposal require a Data Protection Impact Assessment?	Yes/ No Yes
Status (e.g. confidential/non confidential)	Confidential
Freedom of information Can this paper be included in "open" business?*	Yes

* If a paper should **not** be included within 'open' business, please highlight below the reason.

Perth College UHI

Its disclosure would substantially prejudice a programme of research	☐	Its disclosure would substantially prejudice the effective conduct of public affairs	☐
Its disclosure would substantially prejudice the commercial interests of any person or organisation	☐	Its disclosure would constitute a breach of confidence actionable in court	☐
Its disclosure would constitute a breach of the Data Protection Act	☐	Other [please give further details] Click or tap here to enter text.	☐

For how long must the paper be withheld? Click or tap here to enter text.

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

Table 5: National measures data table template for college outcome agreements

	Ambition		
	2019-20	2020-21	2021-22
1(a) The volume of Credits delivered			
The volume of Credits delivered (core)			
info. Core Credits target (region)			
info. % towards core Credits target (region)			
The volume of Credits delivered (ESF)		0	0
The volume of Credits delivered (core + ESF)			
1(b) Volume and proportion of Credits delivered to learners in the most deprived 10% postcode areas			
Volume of Credits delivered to learners in the most deprived 10% postcode areas			
Proportion of Credits delivered to learners in the most deprived 10% postcode areas			
1(c) The volume and proportion of Credits relating to learners from different protected characteristic groups and care leavers			
Gender -			
Volume of Credits delivered to Male learners			
Proportion of Credits delivered to Male learners			
Volume of Credits delivered to Female learners			
Proportion of Credits delivered to Female learners			
Volume of Credits delivered to Other learners			
Proportion of Credits delivered to Other learners			
Ethnicity -			
Volume of Credits delivered to minority ethnic learners			
Proportion of Credits delivered to minority ethnic learners			
Disability -			
Volume of Credits delivered to students with a known disability			
Proportion of Credits delivered to students with a known disability			
Age -			
Volume of Credits delivered to learners aged under 16			
Proportion of Credits delivered to learners aged under 16			
Volume of Credits delivered to learners aged 16-19			
Proportion of Credits delivered to learners aged 16-19			
Volume of Credits delivered to learners aged 20-24			
Proportion of Credits delivered to learners aged 20-24			
Volume of Credits delivered to learners age 25 and over			
Proportion of Credits delivered to learners age 25 and over			
Care Experienced -			
Volume of Credits delivered to care experienced students			
Proportion of Credits delivered to care experienced students			
2(a) The number of senior phase pupils studying vocational qualifications delivered by colleges			
2(b) Volume and proportion of Credits delivered to senior phase age pupils studying vocational qualifications delivered by colleges			
Volume of Credits delivered to senior phase age pupils studying vocational qualifications delivered by colleges			
Proportion of Credits delivered to senior phase age pupils studying vocational qualifications delivered by colleges			
2(c) Volume and proportion of Credits delivered to learners at S3 and above as part of 'school-college' provision			
The volume of Credits delivered to learners at S3 and above as part of 'school-college' provision			
The proportion of Credits delivered to learners at S3 and above as part of 'school-college' provision			
2(d) Volume and proportion of Credits delivered at HE level to learners from SHEP schools (i.e. Secondary schools with consistently low rates of progression to higher			
Volume of Credits delivered at HE level			
Volume of Credits delivered at HE level to learners from SHEP schools			
Proportion of Credits delivered at HE level to learners from SHEP schools			
3. Volume and proportion of Credits delivered to learners enrolled on STEM courses			
Volume of Credits delivered to learners enrolled on STEM courses			
Proportion of Credits delivered to learners enrolled on STEM courses			
4(a) Proportion of enrolled students successfully achieving a recognised qualification			
The number of FT FE enrolled students achieving a recognised qualification			
The total number of FT FE enrolled students			
The percentage of FT FE enrolled students achieving a recognised qualification			
The number of PT FE enrolled students achieving a recognised qualification			
The total number of PT FE enrolled students			
The percentage of PT FE enrolled students achieving a recognised qualification			
The number of FT HE enrolled students achieving a recognised qualification			

The total number of FT HE enrolled students			
The percentage of FT HE enrolled students achieving a recognised qualification			
The number of PT HE enrolled students achieving a recognised qualification			
The total number of PT HE enrolled students			
The percentage of PT HE enrolled students achieving a recognised qualification			
4(b) Proportion of enrolled MD10 students successfully achieving a recognised qualification			
The number of MD10 FT FE enrolled students achieving a recognised qualification			
The total number of MD10 FT FE enrolled students			
The percentage of MD10 FT FE enrolled students achieving a recognised qualification			
The number of MD10 PT FE enrolled students achieving a recognised qualification			
The total number of MD10 PT FE enrolled students			
The percentage of MD10 PT FE enrolled students achieving a recognised qualification			
The number of MD10 FT HE enrolled students achieving a recognised qualification			
The total number of MD10 FT HE enrolled students			
The percentage of MD10 FT HE enrolled students achieving a recognised qualification			
The number of MD10 PT HE enrolled students achieving a recognised qualification			
The total number of MD10 PT HE enrolled students			
The percentage of MD10 PT HE enrolled students achieving a recognised qualification			
4(c) Proportion of senior phase age pupils successfully completing a vocational qualification delivered by colleges			
The number of Senior Phase FT FE enrolled students achieving a recognised qualification			
The total number of Senior Phase FT FE enrolled students			
The percentage of Senior Phase FT FE enrolled students achieving a recognised qualification			
The number of Senior Phase PT FE enrolled students achieving a recognised qualification			
The total number of Senior Phase PT FE enrolled students			
The percentage of Senior Phase PT FE enrolled students achieving a recognised qualification			
The number of Senior Phase FT HE enrolled students achieving a recognised qualification			
The total number of Senior Phase FT HE enrolled students			
The percentage of Senior Phase FT HE enrolled students achieving a recognised qualification			
The number of Senior Phase PT HE enrolled students achieving a recognised qualification			
The total number of Senior Phase PT HE enrolled students			
The percentage of Senior Phase PT HE enrolled students achieving a recognised qualification			
4(d) Proportion of enrolled Care Experienced students successfully achieving a recognised qualification			
The number of CE FT FE enrolled students achieving a recognised qualification			
The total number of CE FT FE enrolled students			
The percentage of CE FT FE enrolled students achieving a recognised qualification			
The number of CE FT HE enrolled students achieving a recognised qualification			
The total number of CE FT HE enrolled students			
The percentage of CE FT HE enrolled students achieving a recognised qualification			
4(e) Proportion of full-time FE enrolled students aged 16-19 successfully achieving a recognised qualification			
The number of FT FE enrolled students aged 16-19 achieving a recognised qualification			
The total number of FT FE enrolled students aged 16-19			
The percentage of FT FE enrolled students aged 16-19 achieving a recognised qualification			
5. The number of starts for contracted apprenticeships (including industry bodies such as CITB and SECTT)			
6. The number and proportion of full-time learners with substantial 'work placement experience' as part of their programme of study			
Total number of full-time learners			
Number of full-time learners with substantial 'work placement experience' as part of their programme of study			
Proportion of full-time learners with substantial 'work placement experience' as part of their programme of study			
7. The number and proportion of successful students who have achieved HNC or HND qualifications articulating to degree level courses with advanced standing			
The total number of students who have achieved HNC or HND qualifications progressing to degree level courses			
The number of successful students who have achieved HNC or HND qualifications articulating to degree level courses with advanced standing			
The proportion of successful students who have achieved HNC or HND qualifications articulating to degree level courses with			

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advanced standing			
8. The number and proportion of full-time college qualifiers in work, training and/or further study 3-6 months after qualifying			
The total number of full-time FE college qualifiers (confirmed destinations)			
The number of full-time FE college qualifiers in work, training and/or further study 3-6 months after qualifying			
The proportion of full-time FE college qualifiers in work, training and/or further study 3-6 months after qualifying			
The total number of full-time HE college qualifiers (confirmed destinations)			
The number of full-time HE college qualifiers in work, training and/or further study 3-6 months after qualifying			
The proportion of full-time HE college qualifiers in work, training and/or further study 3-6 months after qualifying			
9. The percentage of students overall, satisfied with their college experience (SSES survey)			
10 Gross carbon footprint (tCO2e)			

Perth College UHI

Paper No. 3

Committee	Board of Management
Subject	Regional Strategic Body Self-Evaluation Questionnaire
Date of Committee meeting	12/06/2019
Author	UHI EO
Executive summary of the paper	This document provides a self-evaluation of the Regional Strategic Body's performance against its responsibilities, as defined by the Post-16 Education (Scotland) Act 2013.
Consultation How has consultation with partners been carried out?	N/A
Action requested	☐ For information only ☒ For discussion ☐ For recommendation ☐ For approval
Resource implications (If yes, please provide details)	Yes/ No
Risk implications (If yes, please provide details)	Yes/ No Click or tap here to enter text.
Link with strategy	This is the UHI RSB Self-Evaluation Questionnaire

Perth College UHI

Please highlight how the paper links to the Strategic Plan, or assist with: • Compliance • National Student Survey • partnership services • risk management • other activity [e.g. new opportunity] – please provide further information	
Equality and diversity Yes/ No If yes, please give details:	No
Island communities Does this activity/ proposal have an effect on an island community which is significantly different from its effect on other communities (including other island communities)?	Yes/ **No** If yes, please give details: Click or tap here to enter text.
Data Protection Does this activity/ proposal require a Data Protection Impact Assessment?	Yes/ No No
Status (e.g. confidential/non confidential)	Click or tap here to enter text.
Freedom of information Can this paper be included in "open" business?*	Yes

Perth College UHI

* If a paper should **not** be included within 'open' business, please highlight below the reason.

Its disclosure would substantially prejudice a programme of research	☐	Its disclosure would substantially prejudice the effective conduct of public affairs	☐
Its disclosure would substantially prejudice the commercial interests of any person or organisation	☐	Its disclosure would constitute a breach of confidence actionable in court	☐
Its disclosure would constitute a breach of the Data Protection Act	☐	Other [please give further details] Click or tap here to enter text.	☐

For how long must the paper be withheld? Click or tap here to enter text.

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

Regional Strategic Body Self-Evaluation Questionnaire

The University of the Highlands and Islands is the Regional Strategic Body for further education across the Highlands and Islands and Perth and Kinross. This document provides a self-evaluation of the Regional Strategic Body's performance against its responsibilities, as defined by the Post-16 Education (Scotland) Act 2013. The evaluation is not an evaluation of the full breadth of the work of the University but rather limits its consideration to activities relating directly to further education. Unlike other regions, the responsibilities of the University of the Highlands and Islands, as Regional Strategic Body, are limited to activity up to and including SCQF level 6. In order that a full response could be given to each section of the questionnaire, the activities of the University relating to childcare, articulation and widening access, have been included, although much of this work falls out with the scope of the Regional Strategic Body.

1a. What are the mechanisms for establishing the needs of students and employers in the region?

At a regional level, the University has representation at a senior level on the Highlands and Islands Skills Investment Plan (HISIP) Programme Board, a group established to develop and monitor progress against the HISIP Action Plan. Members of the HISIP Programme Board represent the local authorities in the region, Highlands and Islands Enterprise, SDS, SCDI, Bòrd na Gàidhlig and NHS. The group reports to the Convention of the Highlands and Islands (COHI) and seeks to collectively develop and deliver against a strategy to support regional skills development that is responsive to demand and underpins regional economic growth.

The group draws upon data commissioned by SDS (Skills Investment Plan/Regional Skills Assessment data) and surveys commissioned by HIE to inform its deliberations and action planning. Partners listed above also feed intelligence on local developments to the group, on an agency by agency or local authority area basis.

Each academic partner takes the lead in building relationships and playing an active part in Community Planning Partnership arrangements. In the case of Argyll College, this participation extends across several community planning partnerships. For others, such as Moray College, Shetland College, Lews Castle College and Orkney College, this is a simpler relationship between one college and a single community planning partnership. Perth College has membership of the Perth and Kinross Community Planning Partnership, making use of the Tayside Regional Skills Assessment data to inform curriculum planning. In the Highland local authority area, three UHI colleges (Inverness College, North Highland College and West Highland College) work collaboratively with the Highland Community Planning Partnership, rotating representation on the CPP Board while each are activity engaged in the CPP sub-committee structure.

Academic partner principals come together regularly to share intelligence on local developments and progress against the HISIP Action Plan and these updates are fed into the Highlands and Islands regional update through representation on the HISIP Programme Board.

The University has recently created a senior post with responsibility for coordinating the University's response to strategic developments. This post is key to ensuring that the University is able to draw upon its collective resource in a coherent manner to offer optimum support to substantial economic development opportunities. The post holder is taking a lead role in relation to City and Local Area Deals as well as industry-focussed developments such as Spaceport in Caithness, Liberty in Lochaber and Boeing in Moray.

In addition to the arrangements described above, academic partners have local arrangements in place to facilitate communication between employers and each college. This interaction supplements the higher level interaction with CPPs and takes place at a variety of levels and encompasses:

- proactive engagement with employers to grow Modern Apprenticeship contracts and CPD;
- participation of employers in groups established to support curriculum staff, ensuring the on-going currency and relevance of courses in terms of content, quality management and delivery mechanisms;
- employer-led projects as well as facilitation of partnerships between schools and employers to support development of Foundation Apprenticeships and in the longer term, workforce planning.

As described above, the region has a clear focus on student destinations and makes best use of its tertiary span to support students in offering seamless progression across all SCQF levels. The University has a well-developed Students Association that spans all academic partners. Student representation systems and mechanisms to support student engagement are well developed and students have a role in the highest levels of both executive and non-executive decision-making.

The Quality Forum has worked in recent years to harmonise quality management processes across the region. In 2018/19 academic partners have agreed to the development of standard quality assurance processes across the region and this work is now well advanced. Quality enhancement processes are well-aligned across the region but are locally defined. Both the activity of the Quality Forum and that of the Single Policy Environment Project, has introduced, in recent years, a higher level of consistency to the student experience across partners.

Each academic partner makes uses of a strong evidence base to inform evaluative reflection to inform planning. The Regional Strategic Body participates alongside Education Scotland in Evaluative Report and Enhancement Planning meetings at the pre-endorsement stage. Endorsed reports and action plans are regionally shared.

Regional groups at executive level (Quality Forum, Senior Management Curriculum Team, Partnership Council) and non-executive level (Further Education Regional Body, Court) monitor progress against regionally established targets (published in the Regional Outcome Agreement) relating to strategically targeted activity (disadvantaged groups/key industry sectors), student satisfaction and student performance against a range of measures.

1b. How are these regional needs used to plan regional provision?

The University partnership makes good use of local and regional labour market information and student trend data to propose regional targets that underpin regional and local curriculum planning. These targets are negotiated with The Scottish Funding Council (SFC) through the Regional Outcome Agreement development process. Academic partner principals come together to discuss the alignment of proposed targets with regional and local need, using local and regional intelligence and trend data to do so. During this process, the region's activity is benchmarked, not only against local and regional performance of previous years but also against the national context.

Partners make good use of RSA data and other labour market intelligence, collected through the mechanisms described in the previous section, to inform curriculum planning and regular portfolio review to ensure on-going responsiveness of their curriculum offer. Locally, curriculum mapping is carried out to ensure that the curriculum offers flexible access to students and clear lines of

progression to employment and higher education opportunities. In recent years, Tertiary Curriculum Mapping Groups have been established across subject groups to map the regional offer. These groups have been tasked to map access and progression opportunities, identify gaps and propose additional areas for development. They have also worked to rationalise course titles, simplifying, wherever possible, the offer and progression routes for students. A project has been initiated to develop an on-line curriculum mapping tool for use by students and prospective students needing to clarify routes to career and further study destinations.

In 2018/19 the region developed a regional Strategy to Support the Enhancement of Student Attainment. This strategy was developed in collaboration with all partners delivering further education to drive a coordinated approach to addressing the challenges faced by disadvantaged students and mainstream students with the aim of achieving ambitious student attainment targets.

As yet, no standard regional systematic approach to curriculum review has been agreed across academic partners to give both academic partners and the Regional Strategic Body assurance that curriculum is well aligned to current and emerging skills development need across all communities within Highlands and Islands and Perth and Kinross. A proposed approach to this has however been discussed at SMCT with the intention of further exploration.

2a. Does the RSB have a robust, evidence-based plan to inform its strategy, the regional curricular offer, and the associated outcome agreements?

As described above, the Regional Strategic Body interacts with partner agencies through formal mechanisms such as the HISIP Board to align its strategy and curriculum offer.   Academic Partner strategies and local curriculum plans are aligned to the University's Strategy and informed by labour market information, not least regularly refreshed RSA data.   The geographical spread and diversity of the region requires local strategy (albeit aligned at a higher level to the regional University of the Highlands and Islands Strategic Plan) in order that partners can continue to demonstrate the responsiveness of the curriculum offer to local economic and community development need.

As yet, there is no formally agreed process to assure academic partners and the Regional Strategic Body of the alignment of academic partner strategies to the overarching University of the Highlands and Islands Strategic Plan.

Regional fora such as the Quality Forum, engage in analysis of performance data across outcome agreements, benchmarking performance at the level of region, academic partner and subject against national data where this is available. A regionally maintained automated report gives academic partners live access to local and regional performance against ROA targets.

2b. How does the RSB ensure the right provision in the right place across the region, making best use of college's resources and facilities?

A Financial Memorandum is signed between each academic partner and the Regional Strategic Body. This mirrors the Financial Memorandum between the Scottish Funding Council. The financial memorandum specifies the need for each partner to secure 'high quality further and higher education provision'. Furthermore the Financial Memorandum requires each academic governing body to ensure that funding is used 'economically, efficiently and effectively.' The need to have the right provision, in the right place, making best use of college's resources and facilities is implicit in these requirements.

In 2018/19, as part of the process of Regional Outcome Agreement development, in line with Scottish Funding Council conditions of grant, each academic partner has asked to undertake a formal

consultation exercise with community planning partnerships with which they engaged. In adopting a local approach to consultation, the Regional Strategic Body aimed to engage with each CPP offering opportunities for agency partners, in particular local authorities, to scrutinise regional plans and the proposed local contribution to implementation of these.

3. Are there coherent and connected regional responses on specific provision, including:

- **Foundation Apprenticeship Programmes?**
- **Early Learning and Childcare Expansion?**
- **Developing the Young Workforce offer, including partnership working with local**
- **authorities?**
- **Flexible Workforce Development Fund?**
- **Widening Access?**

The Regional Strategic Body established the UHI Work-Based Learning (WBL) Hub in 2016. Sponsored initially by SDS, the UHI WBL Hub provided regional co-ordination of Foundation Apprenticeship contracts, working with academic partners to grow this provision in response to the national agenda. The WBL Hub initially supported early pilot programmes across a small number of partners but quickly expanded provision across more frameworks and a greater number of partners. In the first two years of its operation, the WBL Hub supported the region to deliver more than 25% of the Foundation Apprenticeships delivered nationally. The WBL Hub has relieved academic partners of much of the administrative burden associated with the contracting process, liaising on behalf of partners with SDS wherever possible. The Hub has also helped partners to come together in a single contract to achieve the necessary economies of scale to minimise the potential negative impact on performance scores that can arise when operating on a micro scale. The Hub has supported the development of communities of practice across Foundation Apprenticeship frameworks to ensure curriculum development is undertaken collaboratively, avoiding unnecessary duplication of effort. Academic partners have also worked across CPP boundaries to broaden the Foundation Apprenticeship offer in rural and remote areas through technologically-enabled delivery. The regional Foundation Apprenticeship provision continues to grow across all academic partners.

Our academic partners are in regular discussion with employers within our region in relation to the expansion of early learning and childcare to identify their needs, workforce planning and local demand for suitable qualified professionals. The university has additional funded places for HNC and BA Childhood Practice. The 2018-19 allocated increase in these places, especially for the HNC, was out-of-step with what employer-defined demand. Local employers were not expecting this level of increase in unfilled vacancies for suitably qualified professionals. Where there is an increase in demand, many employers are concentrating on upskilling existing employees and converting part-time employment to full-time. This is evidenced in the increase in interest in SVQ 2 and 3.

Wherever there is demand from applicants and employers, we work across the region to find flexible ways to make that provision available. For example, the university partnership was successful in bidding for funding from the Men in Early Years Challenge Fund to pilot a fast-track childcare course targeted at men in a bid to tackle gender stereotypes and encourage more people into the profession. The pilot is at SCQF L6 and successful students will be guaranteed an interview to the university's HNC Childhood Practice. Perth College UHI has also delivering the HNC Childhood Practice over one year to staff employed in the local sector through a route that sees them undertaking SVQs in their workplace and the college delivering the HN units online with twilight sessions on campus.

More recently the university successfully bid to run a pilot graduate apprenticeship in this area, which has generated interest from employers across the region.

The region plays a significant role in the region's 'Developing the Young Workforce' offer. This is managed locally with each academic partner managing relationships with local authorities relevant to them. In the case of Highland Council, three partners (Inverness College, North Highland College and West Highland College) work collaboratively with the local authority to co-ordinate a Highland senior phase offer. This is technologically enabled where opportunity arises.

The region overall dedicates a far greater proportion of its credits to the senior phase offer than is the national norm. The national percentage of credits dedicated to senior phase pupils studying vocational qualifications delivered by colleges in 2017/18 was reported to be 1.38%[1]. Regionally in 2017/18, 4% of credits were dedicated to this activity. Similarly in 2017/18 the region dedicated 13% of credits to school/college collaborative activity for pupils in S3 and above. Nationally this activity was reported as being 5% of total credits. The proportion of credits dedicated to school/college collaborative work varies significantly across the region, reflecting the differing role played by colleges in urban and remote/rural areas respectively. In the latter, a very high proportion of the college's activity can be dedicated to this work as local authorities and school draw upon the college staff and facilities resource to bring the required breadth to the curriculum. Although the Foundation Apprenticeship provision is significant and growing, this is only one strand of a much broader offer.

Although academic partners have developed local access and inclusion strategies, these have been developed in the context of regional discussion and mutual understanding of the challenges the region faces. Activity in relation to enhanced engagement with and improved attainment rates of disadvantaged groups is directed through a collaboratively developed regional strategy.

The need to build on the success of the regional approach to curriculum planning and associated contractual arrangements exemplified by the work of the UHI WBL Hub has been recognised and work is underway through the newly formed Schools strategy Group to establish a regional senior phase offer, maximising the use of technologically enabled provision. This work is a priority for the region.

A regional approach has been taken to the administration of the Flexible Workforce Development Fund bringing senior business development managers together to agree its operation. In 2017/18, the region managed to deliver training to the value of £576,743 to Levy-payers in the region, against a regional allocation of £898,297. In 2018/19 it is expected that this fund will be over-subscribed. In 2017/18 applications to the fund were approved at a regional level by a committee of academic partner and EO representatives. This process is now locally managed to give partners flexibility in their negotiations with Levy-payers but information is shared between partners using a Sharepoint facility and reporting to SFC is regionally managed.

An evaluation will be undertaken with academic partners at the end of 2018/19 on the operation of this fund to establish whether it should be differently managed in 2019/20 should further funding be made available.

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[1] Scottish Funding Council (2018) College Region Outcome Agreements Summary of Progress and Ambitions report 2018file:///T:/Principals%20Office/VP%20Further%20Education/ROA%20Development/Colleges_Progress_and_Ambitions_Report_2017-18.pdf

The university is committed to widening access and supporting disadvantaged learners into higher education. One of the key elements of this is the continued development of integrated tertiary pathways from school to further and higher education using academic and vocational routes to maximise opportunity. Through these pathways, we are delivering truly seamless supported learning journeys. Academic partners enhance the tertiary provision through relevant outreach activities promoting access to the most hard-to-reach individuals and groups, as well as working in partnership with relevant local organisations.

We are committed to improving access to our tertiary pathways across a diverse region which encompasses the specific challenge of rurality and rural deprivation. The development of an online curriculum mapping tool will make these pathways more visible and relevant to prospective and current students, employers and influencers.

The university recognises that admissions is a vital aspect of widening access to higher education. We are in the unique position of being able to offer a wide range of entry points into the learner journey making us a highly accessible institution to all groups of prospective students irrespective of background or life circumstances. This includes opportunities for articulation for our own HN students and those from other Scottish colleges, with advanced standing where appropriate, to degree programmes, as well as extensive use of Recognition of Prior Learning. Our published entry requirements are set at the minimum required to successfully complete a programme and do not present an unnecessarily high (selective) barrier for applicants. The university's contextualised admissions processes have formalised our inclusive approach to applicants. Contextual data is used to assess an applicant's prior attainment and potential to succeed in higher education in the context of the circumstances in which their attainment has been obtained. The development of the regional FE admissions policy builds on the HE experience and standardises practices for identification of protected characteristics at the point of application, guaranteeing interviews for some disadvantaged groups and provided learning opportunities for practitioner groups in terms of provision of support.

The university's regional marketing and communications practitioners group share and develop good practice on recruitment including targeting under-represented groups and addressing areas of multiple deprivation and rurality.

The university-wide care leavers and carers group is developing student support strategies and operational plans for students across the region. Following, an institutional review of support for student mental health, a mental health lead practitioner role has been appointed to develop a regional student mental health strategy. Regional approaches to other priority groups are in development including veterans and estranged students.

3. How does the RSB engage with its assigned colleges to agree their contribution to delivering the regional plan?

Historically, the Regional Strategic Body has engaged with partners as a group to establish regional targets prior to commencing negotiations with SFC. Although academic partner principals agree a rationale for the regional targets each year, with the exception of student activity targets, disaggregation of targets to the level of academic partner has not been undertaken to date.

In 2018/19 academic partners and the Regional Strategic Body agreed to the disaggregation of Regional Outcome Agreement targets. The principles underpinning the disaggregation were agreed as follows:

- Responsibility for achievement of ROA targets remains regional;
- Disaggregation of any specific target is intended to clarify action required to contribute to the regional target rather than representing a transfer of responsibility;
- Targets will not be allocated on a simple formulaic split but will be informed by data trend analysis, development need and development capacity;
- Academic partners will lead on and participate in regional improvement strategies and initiatives;
- Academic partners will work on enhancement initiatives on a collegiate basis, facilitated by the Quality Forum, drawing on regional capacity for improvement;
- Action planning for improvement will encourage creativity and innovation at a local and regional level;
- Wherever possible and appropriate academic partners will seek to support the transfer of effective practice;
- Academic partners' action planning will work towards achieving parity of student experience across the partnership.

The disaggregation is intended to assist academic partner senior management teams and boards of management in identifying a clear line of sight from local activity to the regional outcome agreement targets. Partners will propose targets that will contribute to achievement of regional targets, with these being subject to further negotiation should that be required.

Agreement on distribution of credits is reached at Partnership Council and recommendations made to FERB for approval of the distribution of credits and associated funding. A separate Group, the ESIF Credit Operations Group agrees distribution of ESIF credits and negotiates adjustments as and required.

The Quality Forum has undertaken work in recent years to develop a more collaborative approach to enhancement activity, working to harmonise quality assurance and enhancement policies and procedures and to manage student satisfaction surveys and emerging data.

The Quality forum also took the lead in developing a consistent approach to the Evaluative report and Enhancement Plans required as part of the Education Scotland external review process. Senior curriculum managers also undertook to reference in the EREP high level regional strategies to which local enhancement activity was aligned with the aim of establishing a clear thread running from the ROA to local action planning.

In 2017/18 the region collectively developed a Regional Strategy for the Enhancement of Student Attainment. This strategy drew partners together to develop approaches to enhance mainstream student attainment and that of disadvantaged student groups. The implementation of this Strategy in 2019/20 will deliver further alignment of partner enhancement plans with the ROA.

The response to some targets, for instance improving attainment levels for students residing in areas of multiple disadvantage, will be managed on a cluster basis bringing together partners with SIMD10 post code zones in their catchment areas. Others, for instance improving the attainment of students with care experience, will be informed by the work of a partnership-wide community of practice where best practice can be shared.

The Quality Forum initiated in 2018/19 curriculum reviews in subject areas where attainment levels were low. This was the region's first attempt at collaborative cross partnership evaluative work of performance at subject level in further education. The region plans to build further on this work in the next academic year.

*4. **What steps are taken to ensure that efficiencies are maximised within the region?***

The requirement for each academic partner to achieve value for money, to be economical, efficient and effective in its use of public funding is explicit in the financial memorandum between the University and its academic partners. Notwithstanding this expectation, the Regional Strategic Body strives to facilitate further efficiency gain through regional initiatives such as those described below.

During academic year 2018/19, the region launched the Single Policy Environment Project, to create a policy framework for FE that all partners delivering further education could buy into, thereby reducing duplication of effort in policy development, equalities impact assessment and policy review. This project has also helped manage risk across the partnership through better management of corporate knowledge (using a Sharepoint facility to centrally develop and store policy and procedural documentation). As this knowledge tended to sit with individuals in partners, rather than with teams, as would be the case in larger organisations, the risk of service disruption should a member of staff leave for any reason was high. Now, through the development of communities of practice and partnership-wide development of a consistent approach, partners are better able to provide support to one another, should any temporary skills gap emerge in any one partner.

Policies have been developed through Policy Ownership Groups that bring together specialist practitioners from each partner. Each group has considered the current practice in each partner and, where potential has been identified, transferred best practice to all partners, enabling efficient implementation of improvements, saving each partner from a linear process of gradual improvement. Wherever possible, opportunities to automate systems on a regional basis have been taken.

The regional Quality Forum has worked to align quality management processes adopted by academic partners for a number of years now. In 2018/19 partners agreed to adopt a standard quality assurance and enhancement process and this is currently being developed. Again, this work is producing efficiency gain through reduction of duplication of effort and through speed of transfer of practice. Partners are encouraged to continue to explore creative approaches to enhancement activity but with the expectation that proposed systems change would be considered and adopted regionally rather than locally.

The development of a Foundation Apprenticeship contract, a regional Modern Apprenticeship contract and a regional Graduate Apprenticeship contract with SDS has helped to maximise efficiency gain for the region. In the case of Foundation Apprenticeships, through the development of a regional rather than individual contracts with SDS, partners have been able to achieve economies of scale in the presentation of their Foundation Apprenticeship numbers, avoiding undue financial penalty in the operation of contract performance management that can occur in very small partners where single student outcomes can significantly skew performance scores. Regional management of curriculum materials and sharing of delivery practice has also created efficiency gain as has regional contract management which has reduced the administrative burden on partners.

Further work has been undertaken to develop a regional approach to student data management, bringing MIS and Student Records staff together to develop and adopt a standard approach to management of student application, attendance, entering of results and curriculum planning. Through this process, partners have identified best practice within the partnership and built further on this to enhance practice further. This data management framework is in the process of being finalised and will underpin further projects such as the development of a regional dashboard

reporting tool and the development of on-line curriculum maps that will help current and prospective students navigate progression pathways to further study and employment destinations.

Enhancing retention and student attainment is key to maximising efficiency gain within the region in maximising the impact of each funded place on the lives of students and the economy of the region. To this end in 2018/19 the region collectively developed a regional strategy for the enhancement of student attainment to address challenges in attainment of mainstream and disadvantaged students. This strategy will drive enhancement activity in 2019/20.

The region has achieved efficiency gain through central provision of IT network and VC services. The region recognises that further efficiencies could be gained through further development of shared services such as Finance, HR, MIS/Student Records and Quality Management and is committed to pursuing this agenda in light of the considerable financial challenges the region faces.

5. Is the Provision across the Region Coherent?

The regional strategic body has responsibility for provision of further education across a geography that comprises more than a third of the land mass of Scotland, spanning urban, island and inaccessible remote and rural communities. Given the diversity of contexts within which each college works, the curriculum across the region needs to balance local need whilst ensuring progression pathways extend beyond the local context, offering routes through further and higher education to employment and rewarding career opportunities.

Each academic partner takes a lead role in liaising with their community planning partnership and in making use of regional skills assessment, regional skills investment plans and industry sector skills investment plans to align local provision to local and regional need. In 2018/19, in line with SFC guidance, academic partners consulted with CPPs, with particular attention being paid to the local authorities with which they work on the proposed ROA for 2019/10 and the intended contribution the college would make to achievement of ROA ambition and targets. The requirement for each academic partner to assure itself of the effectiveness of its activity is written into the financial memorandum agreed between each academic partner and the University as Regional Strategic Body.

In addition to this local planning, the region is engaged in regional curriculum planning through Tertiary Curriculum Mapping Groups. These groups, organised around broad subject groupings have mapped provision across the partnership identifying pathways of progression. Through this mapping process, cross-partnership curriculum leaders have worked to ensure that progression from partner to partner is seamless and that any gaps in provision are identified. The work of the Tertiary Curriculum Mapping Groups has led to rationalisation of course titles and content, with the intention of bringing a greater level of clarity to progression opportunities for students.

The geographical distances that separate the academic partners of UHI, precludes competition for the most part between colleges for students. The new campus in Inverness has created a 'pull' in the inner Moray Firth but not to any significant detrimental degree. Any historic competitive practice for Modern Apprenticeship provision has been addressed through the development of a regional WBL Hub and single contracts for Foundation, Modern and Graduate Apprenticeships. Within the scope of these contracts, partners are working collaboratively to maximise contract size and value, placing apprenticeships according to demand rather than historic academic partner practice.

Clusters of colleges facing similar challenges of population change and geographical remoteness are beginning to work collaboratively to use the collective resource to develop a technologically enabled curriculum. The region anticipates that these nascent developments are indicative of the future of the UHI partnership with greater use being made of technology in further education to enhance the viability of courses in rural and remote locations.

In order to ensure on-going alignment of the curriculum and to address any intermittent development issues identified locally or regionally, the Regional Strategic Body is investing in an additional resource to be employed at a senior level to work on a peripatetic basis according to need. This resource will provide the partnership with means to drive change programmes across the partnership as well as address any specific concerns raised by partner agencies.

6. Does the RSB allocate capital funding in a clearly prioritised way? Does it have an estates strategy that identifies future estates needs and current maintenance needs?

The university has a ten year estates strategy which covers both further and higher education as the one estate is used for delivery of all levels of teaching.   This strategy clearly identifies future estates needs and is updated on a regular basis based on changing priorities, condition reports and new activities across the partnership.   The most recent version was submitted to Scottish Funding Council in August 2017.   The priorities are set using Multi Criteria Decision Analysis software will all partners engaged in agreeing criteria and the outputs are shared across the partnership.   Capital funding from Scottish Funding Council has been limited in recent years and has largely been used to fund high priority backlog maintenance.   Funding of two outline business cases and one full business case from academic partners has been supported by contributions from both Scottish Funding Council and the university.   The university has also provided capital funding from its reserves to enable some high priority capital projects at partners to proceed.

7a. Does the region have an effective outcome agreement that clearly articulates regional need and links changes in funding to that regional need?

The Regional Strategic Body takes an inclusive approach to the development of the ROA which spans further and higher education, engaging with senior staff and members of governing bodies from across the partnership in its development through executive-led workshops and discussions at the Further Education Regional Board and Court. Consultation with internal and external stakeholder groups have been led by academic partners.

The ROA details the region's response to national and regional drivers and links to academic partner Evaluative Reports and Action Plans where appropriate. Given the size and complexity of the region as well as the tertiary nature of the institution, to meet the demands of the guidance issued, the ROA for the University of the Highlands and Islands is unwieldy. The Regional Strategic Body would wish to move to a more concise form of agreement in future years that is more easily understood by stakeholders.

Additional funding that has been made available through European funding streams has supported the University in its response to demand for enhanced provision in specific industry sectors and growth in higher education numbers. Additional funding has supported the development of Graduate Apprenticeships at level 8 and 10 in Civil Engineering and an in-house bespoke work-based learning degree in Computing in collaboration with IBM. Specific funding streams have also supported the region in its development of local initial teacher education, nursing and midwifery.

In further education, student activity credits have been redistributed, to a degree, to reflect changing levels in demand at some partners. For instance, having struggled to meet its activity target for several years, Lews Castle College accepted an adjustment of 1,000 credits which were redistributed amongst Inverness, Shetland and West Highland Colleges. The distribution of rurality funding has also been adjusted to reflect SFC guidance, allocating this funding to those partners operating in the most remote and rural areas, attempting to maintain breadth of provision across a wide geographical area, delivering through multiple learning centres.

7b. Does the ROA have robust targets for all the key measures, and is performance against those targets measured?

The region takes an inclusive approach to the development of ROA targets, bringing academic partner principals and UHI senior managers together to consider performance trends and ambition. Targets are aligned to regional and national ambition and compare well to the national performance trends. Although the region performs very well against sector norms, targets reflect on-going ambition and a recognition that although regional performance is good, there are areas within which there is scope for improvement. The region has responded to the Scottish Government's ambition to eliminate the attainment gap experienced by disadvantaged students and has mirrored that ambition in its ROA.

The region monitors performance against ROA targets through a centrally generated reporting system, accessible by all partners. This report generates live information fed from the SITS student records system against ROA targets. Key elements of the ROA targets, for instance student activity core and ESIF targets are monitored on a weekly, monthly, quarterly and annual basis through the UHI and academic partner executive, UHI SMT, Partnership Council, FERB and UHI Court respectively. Performance against most targets in further education is only possible on an annual basis. This is undertaken by the above groups as well as the regional Senior Management Curriculum Team and the Quality Forum. Key performance indicators are analysed by the Quality forum to inform regional curriculum subject review activity to support regional subject action planning to enhance performance.

The Regional Strategic Body has further assurance of performance against performance indicators through local monitoring of performance undertaken by partner SMT and Boards of Management. Boards are actively engaged in external review processes and endorse EREP reports submitted to Education Scotland and SFC. The requirement for academic partner to have access to regular, timely, accurate and adequate information to monitor performance and account for the use of public funds is made explicit in the Financial Memorandum agreed between the University as Regional Strategic Body and academic partners.

The University intends to undertake an impact study of its performance in future years. This would necessarily be however, a comprehensive study considering the impact of the totality of the University's work, rather than a study of the impact of the work of the RSB which would impose an artificial distinction between the further and higher education activity and therefore not be reflective of operations.

8. How is the RSB monitoring the performance of its assigned colleges in relation to:

a. Quality of teaching?

The Vice-Principal (Further Education) meets regularly with the regional inspector from Education Scotland to discuss Education Scotland interaction with academic partners and any national

developments in external review processes. The region works with the Quality Forum to consider the regional approach to EREP and participates in EREP pre-endorsement meetings. The Regional Strategic Body receives copies of draft and endorsed EREP documents and these are shared with FERB members.

These externally validated self-assessments of performance are made in the context of robust analysis of current performance indicators and trend data. This local analysis is further supplemented by a regional analysis undertaken by Quality Forum of which all partners are members. In academic 2018/19 following this analysis, partners worked in partnership to undertake a regional review of subject areas where there was identified need for development, recognising the opportunity to work collaboratively to address common challenges and transfer effective practice wherever possible.

A key initiative in 2018/19 has been the development of a Learning and Teaching Review process for regional application. This LTR has been developed by Moray College, although it is very similar to processes already running at Inverness College and North Highland Colleges.   It is being piloted at Moray and Argyll College in Semester two of academic year 2018/19 with the intention of wider implementation in the next academic year. The Regional Strategic Body is very supporting of such regional initiatives that are developmental in intent and closely linked to the UHI Learning and Teaching Strategy.

Many partners have Associate Assessors on their staff who are engaged by Education Scotland to participate in review activity across the college sector. The Regional Strategic Body has made use of this expertise to provide support to partners experiencing particular challenges and will continue to do so, not least through regional review at subject level.

b. Student achievement/attainment, including access and inclusion?

As described above, the region, along with all academic partners, monitors performance in terms of student attainment, using national benchmark data wherever possible. Analysis of trend data has established that the region delivers a proportionate number of student activity credits to students residing in areas of multiple disadvantage and BME students that proportionately exceeds the representation of these groups in the regional population. Furthermore the proportion of student activity credits delivered to students with care experience far exceeds the national norm. As described above, performance is monitored through executive and governance groups and is reported regionally and locally by academic partner.

An area of difficulty for the region is the monitoring of local and regional performance in terms of the challenge of rural deprivation. Very few SIMD10 post code zones are represented in the region but the region has the considerable challenge of supporting students living in areas of rural deprivation for which there is no nationally recognised measure.

Having exceeded the national norm for delivery of student activity credits to recognised groups of disadvantaged students, the region is focussing its attention on eliminating the attainment gap for these student over the course of the current ROA.   The region recognises the challenge in this agenda and has been proactive in developing a regional strategy, on conjunction with academic partners, with the intention of providing a regionally coherent response to these challenges and achieving a more consistent student experience.

c. Financial sustainability?

Academic partner finances are monitored through regular reports to UHI SMT, Partnership Council, FERB and Court. Through the Financial Memorandum between the Regional Strategic Body and academic partners, assurance is sought that each college manages its activities to remain 'sustainable and financially viable…covering its costs and allowing for maintenance and investment in its infrastructure (physical, human and intellectual) at a level which enables it to maintain adaptive capacity necessary to meet future demands.'

Partners are required to advise the Regional Strategic Body as soon as they have concerns around their financial position which allows support to be offered at the earliest stage.   Since the university took on the role of Regional Strategic Body in 2014 there have been several examples of financial and staff resource being offered to help sustain partners through difficult periods.

There is an ongoing focus on efficiency and financial sustainability across the partnership and we are aware that further work needs to be done on sharing resource more effectively and planning for the long term sustainability of each partner.

d. Quality of Governance?

The Regional Strategic Body and each of its assigned colleges carries out an annual effectiveness review of its governing body and its senior committees.   Every three years this assessment is required to be externally facilitated.   The assigned colleges submit the report of their annual review together with the associated action plan to the Regional Strategic Body.   The action plan is monitored to ensure it has been completed by the due date.

The Regional Strategic Body is responsible for the appointment of the chairs and independent board members to the boards of our five incorporated colleges.   The Chair of the University Court and one other lay governor carries out an annual appraisal of the chair of these five colleges and the chair in turn is required, under their letter of appointment, to carry out an appraisal of each of the board members.   No similar arrangement exists for the other 4 assigned colleges who are responsible for their own appointments and appraisal arrangements.

Each of the nine assigned colleges are required to advise the Regional Strategic Body of any issues or concerns relating to their governance arrangements through the financial memorandum with the Regional Strategic Body and the principal of each of these bodies provides an annual certificate of assurance to confirm that there are no issues.

9. How does the RSB support and ensure financial sustainability in its assigned colleges? What mechanisms are in place to support colleges (working with SFC as necessary) facing financial challenges?

The Regional Strategic Body recognises that from time to time colleges will face financial challenge as a result of changing circumstances. At such times, the Regional Strategic Body has provided support, financial and through provision of executive support to help colleges overcome such challenges.

The Regional Strategic Body has for instance, recognised the need to use trend data (rather than any individual year's change in student activity) to inform student activity allocations and associated funding. Where particular challenge has arisen, the Regional Strategic Body has made transitionary funding available to support a college in recovery or advanced funds where required. Where SFC guidelines have driven redistribution of funding (for example in the case of rurality and remoteness funding), several years transitionary funding has been provided to support colleges needing to plan for budgetary change.

There have been a number of examples since 2014 where staff or funding have been provided to support a partner going through a period of difficulty.

10. How does the RSB promote the use of the credit and qualifications framework to its assigned colleges?

As a tertiary organisation spanning further and higher education, the University partnership is heavily reliant on the Scottish Credit and Qualifications Framework (SCQF) to define locally and regionally map and promote its provision. Academic partners and the University in its totality have a standard approach to course definition in the use of on-line prospectus information that clearly identifies SCQF level.

Tertiary curriculum maps showing regional provision, illustrating pathways through to further/higher levels of study and/or employment opportunities are also structured by SCQF level. Individual partners make sure of credit-rating mechanism across SCQF levels to add value and transferability to non-accredited learning opportunities. Such mechanisms are invaluable in terms of the widening access agenda.

Overall, the region believes that the SCQF framework is fully embedded in the work of the colleges and the University.

11a. Is the RSB efficient in its own operations (that is, is it minimising the amount of funding it uses for its own operation as opposed to funding provision); and is it promoting efficiency in its region (e.g. through reducing duplication, creating shared services or promoting structural change)?

The funding allocated to the Regional Strategic Body to support provision of further education in 2018/19 was £46,670,964. Of this, the retention to cover Regional Strategic Body administrative costs which include £85,000 subscription to Colleges Scotland, regional committee costs and remuneration and salaries (Chair of FERB, Vice Principal Further Education, part-time PA, Data Reporting Services and the Single Policy Environment Project Manager was £346,206. A further contribution of £36,524 was made by the University to support the work of the Single Policy Environment in recognition of the tertiary nature of many of the policies being developed. The overhead cost of the WBL Hub was covered through SDS contracts. The operations of the Regional Strategic Body in relation to FE funding represents 0.7%- 0.9% of the total funding allocation to the region (depending on whether or not national bargaining funding is included in the calculation).

The Regional Strategic Body has established the WBL Hub to support single apprenticeship contracts for Foundation Apprenticeships, Modern Apprenticeships and Graduate Apprenticeships, which has reduced much of the contract management work undertaken by colleges. The WBL Hub has also developed communities of practice that supported shared development of curriculum materials and collaborative approaches to development of deliver mechanisms. The WBL has supported growth in contract value, and therefore income to partners, year on year, since its inception.

The region funds a post to provide central student data reporting services and this post is central to the on-going development of a self-service dashboard reporting tool using Power BI that will enable partners to make best use of data to inform enhancement plans as well as supporting local and regional monitoring or progress against organisational KPIs and ROA targets.

IT network services are centrally provided but although proposals have been made to develop shared services none have yet come to fruition.

During academic year 2018/19, good progress has been made in standardising student data management processes to support student enrolment, student attendance recording, recoding of results and curriculum planning using the SITS student record system.

In addition to this work the Quality Forum has taken a more rigorous approach to standardising quality management systems, working through Quality Assurance and Enhancement processes to reduce duplication of effort, bring greater levels of consistency whilst still encouraging creative approaches from which all partners can benefit.

The Single Policy Environment Project, launched in academic year 2018/19 has brought partners together to develop regional policies prioritising student-facing policies. The project is now moving into a second phase initially focussing on Carbon Emissions and Carbon Management and Health and Safety Management. This regional policy environment is building additional resilience through better management of corporate knowledge and creating a context within which partners can better support one another through temporary or longer term skills gaps. Benefits are also being realised through regional communities of practice for specialist and professional staff and through achieving greater levels of consistency in the student experience.

11b. What analysis has the RSB undertaken to ensure that assigned colleges are operating efficiently?

The Regional Strategic Body seeks assurance through the Financial Memorandum that academic partners are striving to achieve value for money and that they are economical, efficient and effective in their use of public funding.

No specific analysis has been undertaken to ensure that individual assigned colleges are operating efficiently but assigned colleges are encouraged to share resource.   The single policy environment project, the offer of regional co-ordination and support on many compliance matters such as GDPR, equality and diversity, Prevent duty and provision of cohesive IT, telephony, student records and video conferencing systems are examples of where the Regional Strategic Body works to drive efficiency across the region.

12.   Are there effective relationships within the region? Is the RSB working well with its assigned colleges so that they see its value?

Effective working relationships can be evidenced through the operation of regional executive structures such as:

- Partnership Council
- Senior Management Curriculum Team
- Quality Forum
- UHI WBL Hub

A review of decisions taken and initiatives driven through these committees and teams is indicative of the ability of the region to work collaboratively and productively. Agreement to work collaboratively to address, for instance, industry sector needs through strategic groups for engineering and computing (spanning all SCQF levels) illustrates the shared recognition that a regional approach and collaborative work is required if we are to realise the potential of the region. The region has agreements in place to work within a single contract framework for apprenticeships. The willingness of partners to work through the regional WBL Hub to agree distribution of MA places, in-year, to maximise the region's ability to achieve contract growth demonstrates the

maturity of these relationships and the key role of the Regional Strategic Body as facilitator in these arrangements.

Partners have also been appreciative of the outputs from the Single Policy Environment Project. The Regional Strategic Body has played the part of facilitator in policy development, providing project management support to enable partners to collectively create standard policies that are approved locally by governing bodies.

The Further Education Regional Board provides a forum for interaction between the Chairs of Academic Partner Chairs within which national and regional challenges can be discussed. FERB has delegated authority to distribute the regional FE funding allocation and has managed to secure agreement amongst partners for the distribution of funds to support FE across the region each year, implementing processes of re-distribution where required. FERB has taken a key role in achieving the correct levels of funding to support the implementation of national bargaining within the region.

The Regional Strategic Body provides additional interim support to partners experiencing difficulties. This support has taken the form of financial advances, transitional funding that temporarily allocated a greater proportion of funding to specific partners facing significant temporary financial challenges, mentoring support for key senior staff and challenge through provision of critical friends. The uptake of such support across a range of partners suggests that relationships are effective.

Although there are at times tensions evident in relationships between the Regional Strategic Body and academic partners or indeed between academic partners, these are indicative of the structural complexities within which the Regional Strategic Body and academic partners operate. The accountability of Boards of Management and that which falls to the Regional Strategic Body can create diverging agendas which can be, at times, difficult to navigate.

The costs of the Regional Strategic Body are minimal in relation to the funding allocated to the region. While this appears to be efficient, the lack of resource being directed to develop for instance networked provision in FE, fundamental to achieving curriculum breadth in more remote settings constrains regional responsiveness. Similarly, the Regional Strategic Body could add greater value through the development of shared services realising further efficiency gain with the potential for shifting more resource to core teaching and learning in doing so.

13. How does the RSB, either directly or through its colleges, engage with:

Staff unions and student associations?

The Regional Strategic Body meets directly with representatives from trades unions recognised by academic partners through an information sharing group. Colleges themselves also engage with their recognised trades unions through local Joint Consultative Committees and through membership of the Employers Association that negotiates with trades unions on their behalf in line with the NRPA and National bargaining arrangements.

The region benefits from a single students association HISA, collectively funded by the University and its academic partners. Regional and local sabbatical officers work in partnership with regional and local management structures to facilitate student engagement. There are well-developed mechanisms supporting student engagement such as Partnership Agreements and well-developed formal systems of student representation.

Schools employers, local authorities and other post-16 education providers?

As described in earlier sections, the region has well established regional and local engagement with that number of CPPs with which we engage. Engagement with schools is organised regionally and locally to promote pathways through HE and FE respectively. The complexity and size of the region necessitates local engagement as a priority and the high proportion of activity dedicated to school/college collaborative work is illustrative of the constructive nature of these relationships.

Relationships are developed through local partners with other post-16 providers to support articulation and access to higher education from the rest of Scotland. All formal arrangements, including franchise opportunities that have been developed are subject to regional scrutiny and monitoring.

Other interests in its region?

National Manufacturing Institute for Scotland (NMIS)

The university is engaging with this national initiative aimed at increasing the productivity of Scottish manufacturing industry. This initiative is "*an industry-led international centre of manufacturing expertise. Industry, research and the public sector will work together to transform skills, productivity and innovation*."[2] In addition to the Renfrew centre, NMIS will work across the nation to deliver its mission. Uniquely UHI will be working simultaneously at college and university levels as a regional tertiary body. Through the recently formed NMIS steering group, UHI will coordinate its FE and HE engagement with NMIS and align its outputs to the requirements of the UHI region.

In practical terms with will initially involve:

- Academic Partners engaging with SDS and HIE to participate in the train the trainers programmes across the UHI region.
- UHI hosting the first of a series of upskilling training events for businesses and providing case studies and contextualised content.
- Coordinated applications for the Advanced Manufacturing Challenges Fund (AMCF) not only linked to 'local' business and UHI Academic Partners but also to the regional strategies of the university.

This work is being taken forward in conjunction with HIE and hopefully Scottish Enterprise, as their aims and that of the university and NMIS obviously coincide to a broad extent. In all discussion about the so called 'triple helix' of industry, public bodies and academia, it is clear that demand for skills and knowledge is aimed at the full spectrum of the SCQF (FE and HE) and that UHI is very well placed to meet this demand with its unique structure.

Growth Deals

The links between local, regional and national agendas spanning the full FE and HE spectrum is taken forward in other ways in UHI, one such being the **Moray Growth Deal (MGD).** The university's plans here include centres of excellence in enterprise, advanced manufacturing and aviation. The plans include work at school level to provide inspiration, highly innovative technician-level training and upskilling. It will also include, industry-focused research aimed at the next generation of technology applications. In all of this HIE is a key partner along with private companies including but not limited to Boeing. Other examples of this strategic blending of local and regional, linked to national approaches and delivered at both FE and HE include:

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[2] https://news.gov.scot/news/national-manufacturing-institute-for-scotland

- The UHI School of Health and Allied Life Sciences
- The STEM Hub and regional development of Newton Rooms
- The MAXIMAR consortium
- The Centre for Rural Creativity

Are there enhanced stakeholder/employer engagement structures, providing a 'one door' approach?

The university has a single work and enterprise strategy which provides the framework for a cohesive approach to employer engagement across the region.   This is supported by a region wide Customer Relationship Management (CRM) platform which allows partners to log activity and see if an employer has an existing relationship with any part of the university.   A Key Account Director is employed to develop relationships with large employers, co-ordinating support and engagement across groups of academic partners.

Regular business development practitioner group meetings are held to share good practice and ideas and encourage consistency of approach.

A programme board for work and enterprise, chaired by the university's chief operating officer and secretary, meets on a quarterly basis and comprises senior colleagues from across the partnership.

Is there a cross-college Board collaboration on issues such as risk management, GDPR, cyber security and equality and diversity?

The Regional Strategic Body has developed, with academic partners, an agreed list of 12 commonly recognised risks. Academic partners are able to add to these locally through a common software platform.   This allows for full visibility of risks across the partnership and reports can be tailored as appropriate.   The university and academic partners' risk registers are considered by the respective senior management teams and boards of management, the UHI Risk Review Group, FERB and Court.

The Regional Strategic Body funds, through APUC, on behalf of the region, a data protection officer to work across most of the partnership (excluding Inverness, Shetland and Orkney Colleges) providing direction on GDPR issues to the University partnership.

The university's Libraries and Information Services department co-ordinates information security activities and a single information security policy has been adopted across the partnership.   Working together with IT staff across the partnership, the team have been successful in securing our Cyber Essentials certification in March for all aspects of our activity.

Whilst each partner reports separately on their Equality and Diversity activities, regular workshops and training sessions are arranged by our equality and diversity manager to share good practice and support staff across the partnership.

There are many examples of sharing good practice and policies across the partnership through a range of practitioner groups particularly in areas of compliance where there is no benefit in "reinventing the wheel."

Action Plan

Action	Deadline
A regional schedule and process agreed for the development and alignment of regional and local strategic plans	January 2020

A regional structured approach to portfolio review to be agreed and implemented by each academic partner	June 2020
A regional senior phase offer to be developed that makes use of technology-enabled delivery where advantageous	June 2020
An annual regional review of provision in subjects where attainment is low to be undertaken to inform local improvement plans	January 2020
The potential for further development of shared services to be explored to create efficiencies and improve effectiveness	January 2020
A process by which an analysis of efficiency of operations can be undertaken across the region to be agreed and implemented	January 2020

Perth College UHI

Principal's Report

12 June 2019

Introduction

This has again been a busy time with significant changes made to what we are doing and how we are doing it.

Tay Cities Deal

Work is continuing on Tay Cities and we continue to be involved in the FE/HE Group chaired by Professor Andrew Atherton, Principal & Vice Chancellor of Dundee University.

The Outline Business case for the Scottish Aviation Academy forms part of the Board papers for today's meeting.

The Moray Growth Deal includes an opportunity to develop an aviation strand in conjunction with Boing and Jen Thompson-Young, SDD has been supporting them in developing their bid, we anticipate that there will be close working between the two projects going forward (and also with potential developments in Ayrshire), these projects also offer opportunities for AST.

Political Interaction

Members of the Board may have seen significant publicity around the closure of the Learning Centres and our local MP raising the issues around a University of Perth. In relation to both these issues I have had significant interaction with our students but also with our local politicians. I am hopeful that by continuously delivering the same message to all audiences we are beginning to get the messages out in our communities.

Employee Relations

The EIS continue to be in dispute with the Employers and we have had a continuation of strike action, this dispute relates to the annual cost of living award. The type of action has changes to 'action short of a strike' and this is

having a negative impact on our ability to process student results, unfortunately UHI Quality Team have not been helpful or flexible in assisting the partners in managing this process in relation to the timing of Exam Boards.

As of today the final offer to the EIS has been ratified by the Employers Association and is currently out to a consultative ballot by EIS members, the outcome will be known before the Board meeting and an update will be provided.

The Support Staff negotiation process is ongoing and the Job Evaluation process is being carried out across the country, we are slightly behind on the timings of this but this will not disadvantage our staff.

Employee Engagement

The new engagement structure is continuing to bed in and will be reviewed in the next academic year, informal feedback continues to be positive.

Learning Centre Progress

There continues to be some community disquiet with the closure of the Learning Centres however the emphasis is now on developing our future provision, SMT recently agreed the schedule for this and it will be widely publicized as soon as we have confirmed some of the community venues.

Kinross Learning Centre continues to be the focus for much discussion as the community is keen to purchase the building and I have met with the community groups on a number of occasions, a closing date has been agreed of 16 August 2019.

Other Activities

A summary of the other activities is as follows

- Sodexo dinner- John Swinney was the guest of honour at the dinner which is the highlight of the Professional Chef and Hospitality students week of special events in conjunction with Sodexo.
- A number of Partnership Council events have taken place with the April meeting a face to face meeting in Thurso, these meetings are always much more productive than the routine meetings.

- There has been significant activity around the Employers Association with meetings to discuss pay offers and the bi-annual residential.
- Our BA(Hons) Visual Communications students had their degree show at the Council Offices, 2 High Street. The standard of work was amazing and we are in the process of buying 2 pieces of artwork, which, this year, will be placed in the Reception area at Goodlyburn.
- UHI has established an Engineering/Computing Task Force to address the curriculum and numbers issues across the partnership in these areas. I have attended a number of discussions around this and an Engineering Strategy will be developed by the subject specialists across the partnership.
- I have attended Colleges Scotland Board meetings and the strategic dialogues with the SFC and the Scottish Government. I have been invited to join the Four Nations initiative meeting with colleagues from across the different systems.
- I attended the Herald Higher Education Awards.

And finally today we had the FE Prize giving, this is one of the highlights of the year and it was great to see all of our students collect their prizes, their achievements are amazing.

Perth College UHI

Committee	Board of Management
Subject	Tay Cities Deal Update – Aviation Academy for Scotland
Date of Committee meeting	12/06/2019
Author	Veronica Lynch, Vice Principal External Engagement
Date paper prepared	05/06/2019
Executive summary of the paper	This paper includes the Outline Business Case for the Aviation Academy for Scotland (AAS) submitted to the Tay Cities Deal (TCD) under delegated authority on 29 April 2019.

The Strategic Outline Case (SOC) submitted to TCD in October 2017 had received an indicative £8.1m of Capital funding from the UK Government part of the Tay Cities Deal (TCD. This OBC proposes the same financial split by partner:

Perth College UHI and AST – £6.03m towards a proposed new build on Perth College UHI Campus.

Tayside Aviation - £2.14m towards the fit out of an existing building owned by Dundee City Council at Dundee Airport.

This funding is subject to the OBC being accepted by the UK Government and the TCD Management Group. Indications are that feedback on this submission will be received during week beginning 10 June 2019. This will provide an opportunity for required revisions and outstanding queries to be resolved.

Approval of the OBC would enable a Full Business Case (FBC) to be prepared for submission and approval by November 2019.

Once feedback confirms progression of OBC towards FBC, the College will seek approval from UHI of up to £600,000 to support the tendering of the Professional Fees to scope the building ahead of the TCD funding being formally awarded. This would be incurred at UHI or the College's own risk should the FBC not be approved. |

Perth College UHI

	Ahead of any fees being incurred, the College will undertake initial consultation on the potential site options for the AAS building. The Pre-Application Advice documentation is attached as part of this consultation ahead of discussions with staff, partners and stakeholders.

In the meantime, both Perth College and AST are engaged in conversations with partners within UHI as part of the Moray Growth Deal. These discussions are the subject of a Multi-Party Proprietary Information Agreement. This would be signed by SMT under delegation of the Board of Management Perth College. This will ensure both deals are complementary to AAS rather than competing.

Similar discussions are taking place by AST with colleagues bidding for the Ayrshire Growth Deal funding.

It is recommended that the Board

1 Note the submission of the Aviation Academy for Scotland (AAS) Outline Business Case (OBC) within the Tay Cities Deal programme.

2. Note and endorse the potential locations of the Aviation Academy for Scotland (AAS) as part of the consultation process for the Tay Cities Deal project.

3. Endorse SMT submitting a formal application to UHI EO for funding of the professional fees associated with scoping this project. This funding may be in the form of a grant or loan which be capitalised within the overall project costs.

4. Delegate Authority to SMT to sign the PIA on behalf of the Board of Management, Perth College for the Advanced Technologies Academy as part of the Moray Growth Deal. |
| **Consultation**

How has consultation with partners been carried out? | The Board have been kept abreast of developments with the Tay Cities Deal programme as they have arisen.

The attached potential site locations for AAS will be part of a broader consultation with staff, partners, stakeholders and ultimately residents to ensure any associated Planning application would be successful. |

Perth College is a registered Scottish charity, number SC021209

Action requested	☐ For information only ☐ For discussion ☐ For recommendation ☒ For approval
Resource implications (If yes, please provide details)	**Yes**/ No There will be staff time required to refine the Outline Business Case and to develop the Full Business Case for the TCD. Funding of an estimated £600,000 to support the tendering of the Professional Fees to spec the building ahead of the TCD funding being formally awarded. The Board has previously endorsed approaching UHI to support this investment once the OBC has been accepted by the UK Government.
Risk implications (If yes, please provide details)	**Yes**/ No Professional fees will require to be incurred to quantify the build cost in order to submit a fully costed business case. There is a risk that if the Full Business Case is not approved, that expenditure would be at the College's own risk. Mitigation – Seek support for these fees through a potential partner such as Perth and Kinross Council or alternatively by requesting a non-repayable loan from UHI EO.
Link with strategy Please highlight how the paper links to the Strategic Plan, or assist with: • Compliance • National Student Survey • partnership services • risk management • other activity [e.g. new opportunity] – please provide further information	Provide a summary of the how the paper links to key College priorities and what they are This project supports the delivery of the strategic aim 2. Work in partnership to foster and drive positive change and growth in local, regional, national and international economies.

Perth College UHI

Equality and diversity **Yes**/ No If yes, please give details:	An Equality Impact Assessment will be undertaken as the project develops to ensure access to all audiences to the project.
Island communities Does this activity/ proposal have an effect on an island community which is significantly different from its effect on other communities (including other island communities)?	Yes/ **No** If yes, please give details: Click or tap here to enter text.
Data Protection Does this activity/ proposal require a Data Protection Impact Assessment?	Yes/ **No** Set out any data protection aspects and whether a data protection impact assessment is needed
Status (e.g. confidential/non confidential)	OBC Attachment Confidential – This paper includes commercially sensitive information from our project partner. Until this OBC has been formally signed off and can be available within the public domain, this will require to remain confidential.
Freedom of information Can this paper be included in "open" business?* -**Yes**	Papers should be open unless there is a compelling reason for them to remain closed. If a paper, or parts of a paper, are to remain closed the reason for that exemption must be specified – see reasons below

* If a paper should **not** be included within 'open' business, please highlight below the reason.

Its disclosure would substantially prejudice a programme of research	☒	Its disclosure would substantially prejudice the effective conduct of public affairs	☒

Its disclosure would substantially prejudice the commercial interests of any person or organisation	☒	Its disclosure would constitute a breach of confidence actionable in court	☐
Its disclosure would constitute a breach of the Data Protection Act	☐	Other [please give further details] Click or tap here to enter text.	☐

For how long must the paper be withheld? Until the OBC and FBC are approved and funding awarded to begin the project. This would be for an estimated 12 months.

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

PERTH COLLEGE UHI – CRIEFF ROAD CAMPUS
PROPOSED NEW AVIATION ACADEMY FOR SCOTLAND (AAS)

PRE-APPLICATION ENQUIRY

PERTH COLLEGE UHI – PROPOSED NEW AVIATION ACADEMY FOR SCOTLAND (AAS)

To whom it may concern:

We have been instructed to act on behalf of our Client, Perth College UHI. They are looking to build a new Aviation Academy for Scotland (AAS) as part of the recently announced Scottish Government backed Tay Cities Deal.

The potential sites for the AAS we are all within the Perth College UHI, Crieff Road Campus in Perth. The full site address for the Campus is: Perth College UHI, Crieff Road, Perth PH1 2NX.

The AAS is a partnership between Perth College UHI, Tayside Aviation, Air Service Training and industry partners. The Academy will provide specialist training and skills to the global growth industries of aviation, emerging clean technologies and and low carbon transport sectors.

The development of the building is at a very early stage and Perth College UHI are keen to identify potential sites within the Crieff Road Campus which are likely to be viewed favourably by PKC Planning and Development Department.

6 potential locations have been identified by the Project board and these are shown on the enclosed drawing L(90)001.

Location 1 is the preferred site for this project – it is felt that this site would benefit from good access to public transport links and would also give Perth College UHI a presence on Crieff Road which it currently lacks. Small aircraft or parts thereof (for students to work on) need to be manoeuvred on an occasional basis in and out of the proposed AAS and having a site at the entrance to the Campus would make this process much easier. The site is not overlooked by residential properties in the same way that a number of the other proposed sites are.

We also enclose photographs of each of the sites – titled to match the enclosed Site Plan. The exact height and plan area of the building are not known at this time as it has yet to be designed in detailed but it is expected to be in the region of 8 metres high (2 storey) with a footprint of approximately 2,000 square metres.

Location 1:
Looking West and North across the car park in front of the Horticulture Area within the Campus grounds

Location 1:
Looking along Crieff Road at the main entrance to Perth College UHI – the Horticulture Area is to the right hand side

Location 2:
Looking North with the existing Goodlyburn Building on the right hand side

Location 3:
Looking East with the existing Goodlyburn Building on the right hand side

Location 4:
Looking West with the existing Academy of Sport and Wellbeing on the right hand side

Location 5:
Looking South across the informal overspill car-parking area

Location 6:
Looking between the Webster building on the left and the Goodlyburn building on the right

We appreciate that it is not normal practice for a meeting to held in respect of a pre-application enquiry but we would be more than happy to walk the Campus should this assist with any guidance at this time.

Kind regards

Graham Jones
APTUS Architects
Owner / Principal Architect
graham@aptusarchitects.co.uk
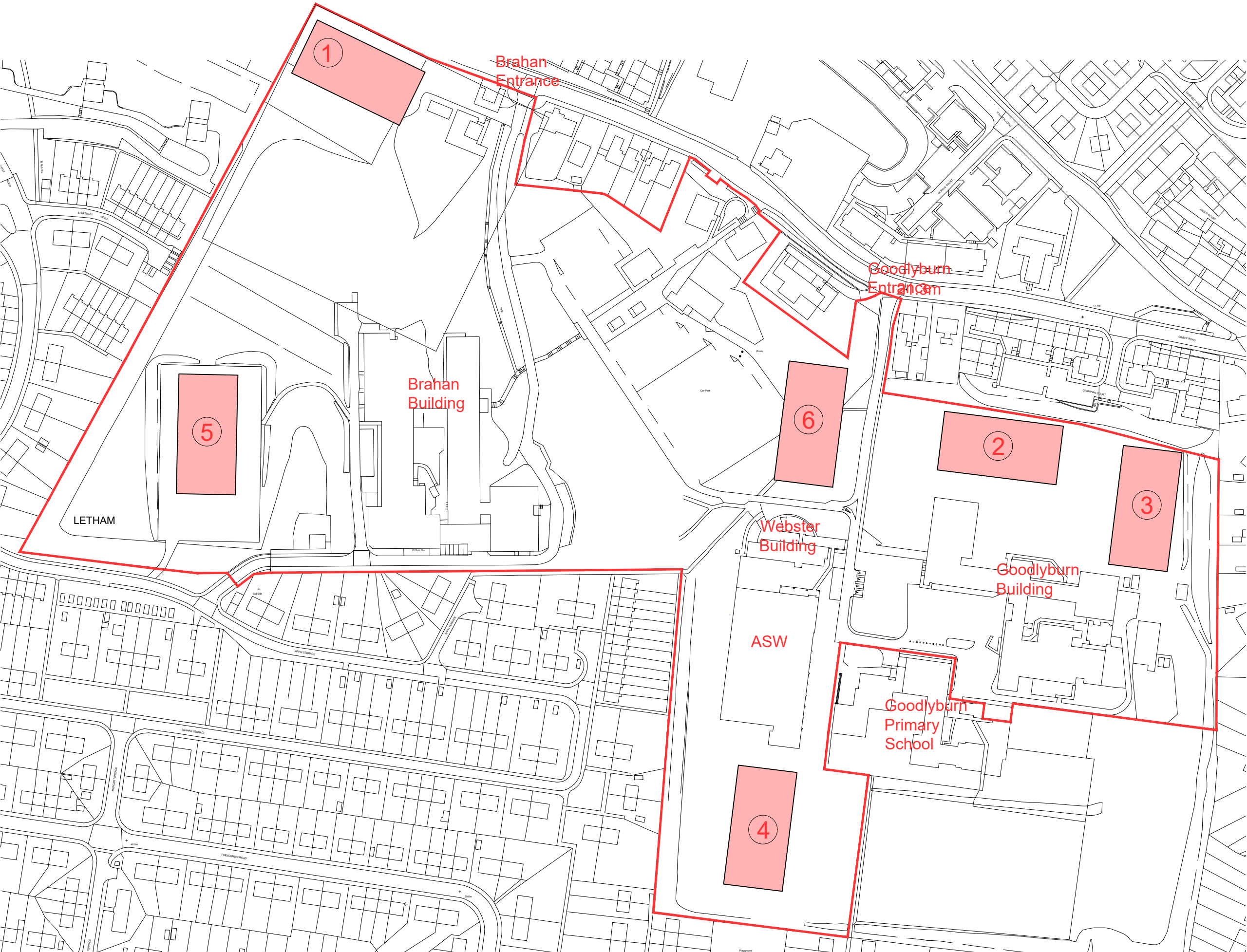
1

Brahan
Entrance

Goodlyburn
Entrance

Brahan
Building

5

LETHAM

6

2

3

Webster
Building

Goodlyburn
Building

ASW

Goodlyburn
Primary
School

4

Rev:	Description:	Date:
A	First issue.	03/04/19
B	Drawing amended.	04/04/19

Client:
Perth College UHI

APTUS Architects

graham@aptusarchitects.co.uk
07859 214 732

Project:
AST Building

Drawing Title:
Proposed Campus Plan

Drawn:	Date:
GRJ	Mar 2019
Drawing Status:	Scale:
For Discussion	1:2000 @ A3
Project Ref:	Drawing No:	Revision:
219-747	L(90)001	B

Perth College UHI

Paper No. 8

Committee	Perth College Board
Subject	AST Business Plan 2019-20
Date of Committee meeting	Click or tap to enter a date.
Author	Mark Taylor (General Manager AST)
Date paper prepared	01/06/2019
Executive summary of the paper	The AST Business Plan and associated Proposed Budget outline the strategic situation for AST and likely actions for the next financial year 2019-20. The Proposed Budget supports by providing details of revenue, costs and cash flows together with a number of key investments in infrastructure.
Consultation How has consultation with partners been carried out?	The documents have been prepared within AST and discussed with appropriate managers. An earlier Issue 1 Business Plan was included in the AST Board Meeting of 23rd May 2019 with some discussion around the Proposed Budget. The AST Board will be conducting a more detailed review later in June 2019.
Action requested	☐ For information only ☐ For discussion ☒ For recommendation ☐ For approval
Resource implications (If yes, please provide details)	Yes – Propose Plan assumes one additional instructor, funded from increased revenues.
Risk implications	No

Perth College UHI

(If yes, please provide details)	Click or tap here to enter text.
Link with strategy Please highlight how the paper links to the Strategic Plan, or assist with: • Compliance • National Student Survey • partnership services • risk management • other activity [e.g. new opportunity] – please provide further information	AST is a business wholly owned by Perth College, tasked with making a contribution to Perth College funds through delivery of aviation training and consultancy services.
Equality and diversity Yes/ No If yes, please give details:	No
Island communities Does this activity/ proposal have an effect on an island community which is significantly different from its effect on other communities (including other island communities)?	**No**
Data Protection Does this activity/ proposal require a Data Protection Impact Assessment?	No Click or tap here to enter text.
Status (e.g. confidential/non confidential)	Confidential

Perth College UHI

Freedom of information	No.
Can this paper be included in "open" business?*	The papers contain information that would be of significant interest to customers, partners and competitors

* If a paper should **not** be included within 'open' business, please highlight below the reason.

Its disclosure would substantially prejudice a programme of research	☐	Its disclosure would substantially prejudice the effective conduct of public affairs	☐
Its disclosure would substantially prejudice the commercial interests of any person or organisation	☒	Its disclosure would constitute a breach of confidence actionable in court	☐
Its disclosure would constitute a breach of the Data Protection Act	☐	Other [please give further details] Click or tap here to enter text.	☐

For how long must the paper be withheld? Click or tap here to enter text.

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http://www.itspublicknowledge.info/ScottishPublicAuthorities/ScottishPublicAuthorities.asp
and
http://www.itspublicknowledge.info/web/FILES/Public_Interest_Test.pdf

AST BUSINESS PLAN

Issue 2

3rd June 2019

List of Contents

Note:

This paper is at Issue 2 and is updated from that provided to the AST Board for the meeting of 7th May 2019 and reflects developments with CAT and Leonardo during that short period. The associated budget is at Version 1, with further iterations planned during June as both AST Board and Perth College review the proposed plan.

Section 6(d) is a short list of observations from the AST Board discussion of 7th May 2019.

1. Executive Summary

AST has had a challenging year in 2018/19 with regards to its customer base, coupled with a number of organisational issues at the senior level, resulting in interim management appointments for both General Manager and Accountable Manager.

Review of business performance, exam pass rates and associated underlying processes has shown that AST is not a business "run by the numbers", so management time and focus is on training delivery and problem resolution, rather than seeking measured and predictable outcomes. Regulatory standards are (rightly) met but there is little or no focus on non-audit related corrective actions or a wider quality improvement culture.

Sales & Business Development activity sees significant effort but the results are not commensurate to the investment, either of hours or money. AST has not signed an entirely new customer since Leonardo in 2018 and the current Sales & Business Development pipeline generally only has potential customers at Phase 0 (Initial contact) or Phase 1 (Outline Proposal Discussed)……..Layang Layang is at Phase 3 (MoU signed) but there has been no progress since signature in January 2019. Other long term customers are stalled, awaiting funding or government approval or whatever.

Finally, AST has been over-dependent on the revenues and significant margins generated by the Approved (formerly Second) Sites which have clearly underpinned the less profitable, probably loss-making activities at Perth. The loss of two Approved Sites and the renegotiated contract with AST's largest customer CAT (Kuwait), now means that the AST business faces a significant challenge to return an acceptable margin and might possibly be loss-making once existing contracted revenues tail off as classes complete programmes. This was further compounded by cash flow issues in April 2019 when a required Gift Aid payment was due to the college.

Clearly the above assessment is brutal. Fortunately it is not the whole story.

AST is well regarded by many in the market place and has an instructional team that are generally well motivated to deliver training both in the UK and elsewhere in the world. Properly positioned, AST can be a valuable partner both to customers and other suppliers and will add value to aviation academy projects in Ayrshire and Moray, with the potential to take that worldwide, particularly if the relationship with Boeing can be developed.

The challenge is multi-faceted.

- The Sales & Business Development team need to develop a culture and behaviour with the right focus and direction to ensure that realistic prospects are identified, nurtured and then delivered.
- There will be a Training "Business" to deliver high quality training and development programmes, with the emphasis on outcomes for the student regarding both knowledge and exam results, whilst being delivered in a cost and time efficient manner.
- Finally there will be an Approvals team, building a positive relationship with UKCAA and EASA that is more than just compliance, whilst also embracing and leading a

quality improvement culture that ensures AST regains a position as a leading training provider.

These significant challenges will require changes in personal, team and management roles, behaviours, performance and capability.

The financial pressures are just as significant, with a big shortfall in very profitable revenues from reduced Approved Site activities and a lack of quickly realisable substitute revenue or prospects. The renegotiated CAT contract, once signed, fortunately "soft lands" CAT revenues as existing classes continue through their programmes under the old contractual terms. This, together with Leonardo course starts, effectively gives AST an 18-24 month period in which to identify, develop and deliver the new lines of profitable business to backfill those monies lost from Keilir and STPI and the much reduced CAT future revenues.

Attention also needs to be paid to the cost and efficiency of the AST team. Opportunities exist to improve administrative processes through digitalisation and indeed much simpler improvements where, say, data is entered once (eg student details) and then used multiple times, rather than each of the three administration areas locally keying in repeated data. Co-location of the three teams would bring further benefits

Instructors use personally customised or augmented slide packs which mean that company time is being used to develop variant packs, which apart from issues of consistency in student delivery then creates an issue / barrier to the development of digitised training materials that can be used / sold vis the internet. The issue will be contentious to some staff but the intention is to move towards a more standardised fit for purpose slide deck and associated notes, available digitally both to staff and students.

There is a proposed 2019-20 budget attached as Section 6. This has a number of issues to address and is being re-worked and will be iterated with AST Board and Perth College during June 2019. The current predicted negative cash flow is not acceptable but could be mitigated by non-investment in required business upgrades and / or by improved business performance.

The prize for AST is that there is a very real demand for aviation licensed engineers and adjacent training and with the right direction, allocation of resources and attention to detail, there is every reason why AST can be successful at Perth whilst exporting the AST brand and vision to Moray, Ayrshire and beyond.

Mark Taylor

3rd June 2019

2. VISION & OBJECTIVES

AST Vision

AST has a well-established Vision which is to:

> *Achieve safer global aviation*

Which will be achieved by:

> *Providing excellent training and consultancy services to the worldwide aviation industry*

The view of AST is that both the Vision and the Value statement remain relevant to the current market and there is no need to revise at this moment.

The Value statement does not limit AST in the scope of offered services and embraces the mix of Part 66 approved courses, bespoke training and other training solutions offered to a broad range of customers.

AST Objectives

The Objectives for AST are not clearly defined and it is interesting the variation that exists when people are questioned, be they from AST or the wider Perth College team.

During 2018 an amalgam of objectives would seem to include:

- A more stable AST, with more predictable financial outcomes
- Better governance, with appropriate authorisations both pre & post contract
- A business plan for steady and incremental growth, to include credible plans and investments to support
- For some, an increase in the proportion of Scottish students

For 2019/20 it would seem that the 2018 Objectives are still valid, although realistically the impact of lost or much reduced Approved Site income means that the "steady and incremental growth" is going to be more challenging than perhaps envisaged!

The following 2019 Objectives are positioned for discussion:

- A stable AST, with more predictable financial outcomes
- Better governance, with appropriate authorisations both pre & post contract
- A business plan that delivers new or increased revenues, to include credible plans and investments to support, with a cost base appropriate to the contracted and immediately foreseeable requirements
- An increase in the proportion of Scottish students
- Improvement in processes, efficiency and management of capacity / capability
- Embrace TCD / Moray / Ayrshire, seeking opportunities for AST involvement

3. MARKETING & SALES

The challenge facing AST is that whilst it might have a distinguished heritage in aviation training, this is not in itself a reason why customers should use AST.

It is true that in some instances that heritage can translate directly into sales where decision makers are alumni of AST, but it cannot be the sole basis of a marketing plan for a stable business, never mind one that might have aspirations for growth.

AST needs a marketing plan that targets the types and numbers of students it desires to attend its facilities in Perth, together with growing and developing streams of revenues for services sold to other locations and partners.

As arguably the longest established training provider in the world, AST has had a significant benefit in earlier years, but the reality is that it now faces competition from other European providers plus, inevitably, from companies that were once customers / partners of AST but have now developed their own capabilities.

All of the above will be expanded and discussed in the following sections.

a) Market

All analysts, including the two major aircraft OEMS, Airbus and Boeing, predict a significant shortfall in aircraft maintenance technicians across all regions of the world. The two primary drivers of the shortage are a generally ageing existing workforce in the western nations, whilst the supply of new aircraft is predominantly to the developing / faster growing regions of the world.
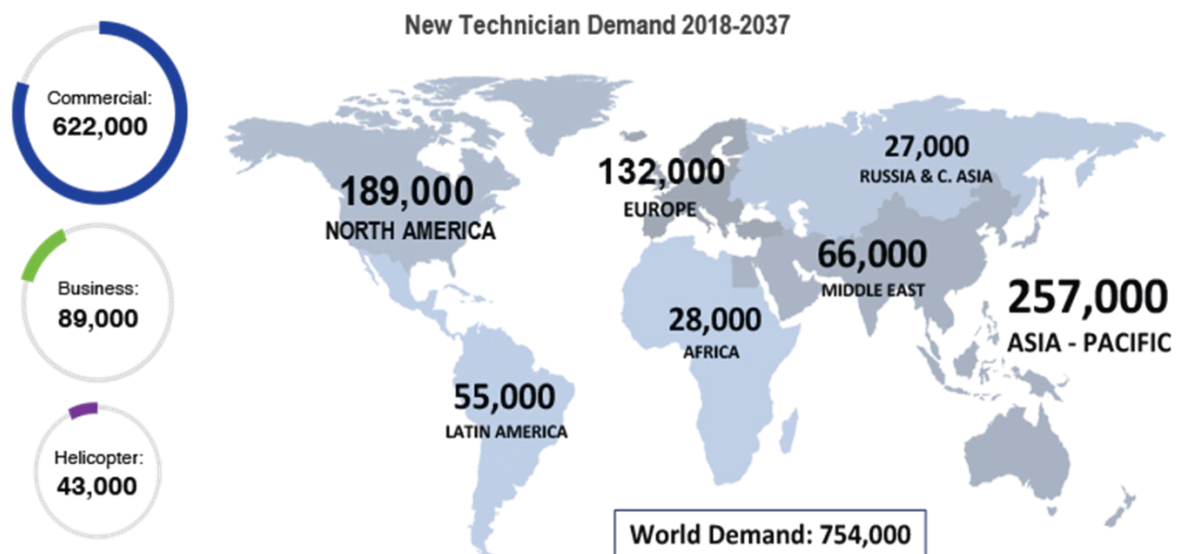
Source: Boeing Technician Outlook 2018
https://www.boeing.com/commercial/market/pilot-technician-outlook/2018-technician-outlook/

The Boeing chart does not distinguish between technician and licensed engineer but the important point is that there does not appear to be any shortage of demand for the services that AST provides. Clearly a number of the regions, most obviously North & South America are aligned to FAA or other non-EASA agencies such as Transport Canada, whilst Russia & Central Asia typically also follows non-EASA qualifications. This still leaves significant demand, nearly 350,000, in regions where AST is already well-represented (eg Middle East, India, Nepal) or has started to establish relationships (Africa).

With 132,000 engineers also required in Europe, there is also a case for AST increasing its attention on markets closer to home, most obviously UK and Iceland where it is well established but has not really invested sales and marketing effort in recent years.

Current AST activity on Training (red) or Business Development (yellow)
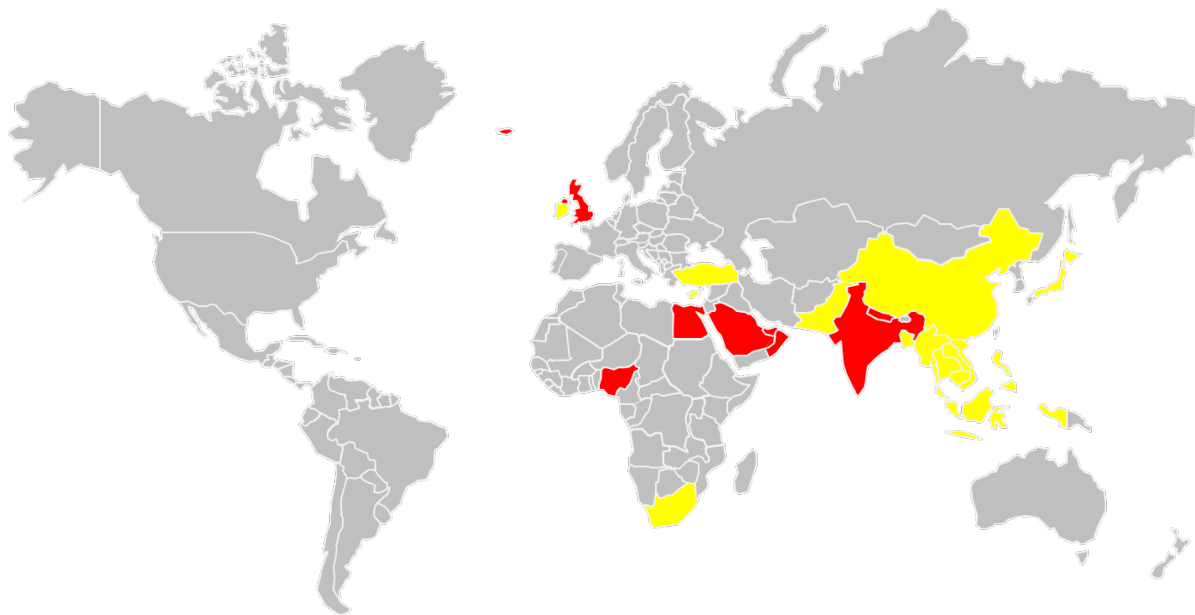
Another way of looking at the potential demand is to use the Boeing UK portrayal of the opportunity…..each year there is a worldwide shortfall of 4,000 aviation engineers.

b) Competitors

A detailed list of competitors is included in the appendices, including details of the courses they offer and a comparative comparison of advantages / disadvantages compared to AST.

Competitors basically fall into two categories, those who are competing for actual students in their facilities, and those that are offering services to overseas based colleges and airlines.

In more detail, the first category is those who compete against AST for full training course and examination delivery, including provision of practical training and potentially Aircraft Maintenance Experience Training (AMET), noting that AST cannot currently provide AMET in-house.

Resource Group (LRTT), a Lufthansa subsidiary based in the UK, is perhaps the most obvious example, with AMC 66 of the Netherlands a near-Europe equivalent. Both Resource Group and AMC 66 have benefitted from significant investment. Resource Group have recently acquired three ex-RAF Dominie aircraft, which quite elderly airframes had a massive investments in new flight decks in 2014 so avionics-wise they are absolutely up to date. AMC 66 benefit, as do other Dutch companies from investment by the Dutch government into training facilities for general use by Dutch industry.

AST is at some disadvantage in this regard, with little or no investment in facilities for many years, but to date does not seem to have suffered loss of students. It would however be a significant barrier if, for example, AST were to seek to increase its prominence / significance in high-end programme provision. An example of such a programme would be a flagship UK industry / government collaboration, such as the BAE Systems programme on "Saudisation" where Saudi nationals are trained in the UK and in The Kingdom to replace expatriate workers. Anecdotal evidence suggests this might be a target for future AST students

Upgrading the facilities and capabilities available to AST will be a benefit from the Aviation Academy for Scotland / Tay Cities Deal investment which should see a building available for occupancy during the latter part of 2020. This would enable AST to position itself for higher end programmes, with 12-15 months lead-time not being an unreasonable time for business winning activities. However this investment is largely directed at training rooms, workshops and some non-aircraft hangar type space…..recognising the difficulties, due to location, of getting a large fixed wing aircraft into AAS.

Strategically there is also the issue that AST acquiring a large fixed wing aircraft would just increase overlap with the proposed Ayrshire and Moray aviation academies. A separate paper will be prepared on the TCS, Ayrshire and Moray opportunities, with a reduced circulation reflecting the various non-disclosure agreements (NDA) and proprietary information agreements (PIA) that are existing or proposed.

The second category is those competitors that AST is facing in the overseas markets.

AST was probably the first European company to realise the potential benefits for utilising EASA "second site" and "remote site" approval permissions, with AST then successfully building relationships in many countries, including the Middle and Far East.

Brexit has given an opportunity for certain competitors to persuade former AST customers that British companies have a future risk regarding EASA approvals. There is evidence that AMC 66 has recruited Lanka Pacific (Sri Lanka) and Aerotech (Malaysia) by using such arguments, which is what prompted AST in October 2018 to apply directly to EASA for a Foreign Part 147 approval. Now awarded, this approval sits on hold pending UK departure from Europe and clarification as to the ongoing relationship between UK CAA and EASA.

The view of AST is, cleared of any Brexit barriers, the team should be able to build further new Approved and Remote Site relationships. Internal review has highlighted the need for such relationships to be reviewed internally and with the customer on an at least annual basis.

One learning point from CAT is that over time the originally negotiated agreement failed to take account of a significant increase in their student numbers, resulting in excessive income and margin to AST but in the process possibly contributing to CAT's decision to seek their own direct approvals, rather than shelter beneath the AST umbrella.

4. SALES PERFORMANCE by COURSE / CUSTOMER CATEGORY

FY 2018/19 has been an interesting year of contrasts for the AST customer base and with regard to Sales & Business Performance. Whilst some of the events have been typical or cyclical type events, at least a couple will have strategic significance, impacting the shape and profitability of AST for some years.

At a summary level, the Approved Courses and Bespoke Courses have done well, Exams & Remote Sites have been largely static whilst on Approved (formerly Second) Sites, there have been two lost customers and a decision by CAT, AST's single largest customer, to reduce their spend with AST. There has been no Consultancy work, despite a mid-year forecast that outlooked two-times the budgeted figure.

Worryingly, there has not been a new customer contracted in FY2018/19, although an MOU was signed in January 2019 with Layang Layang (Malaysia) for potential consultancy to a potential future Approved Site. No work has yet materialised from the MOU.

In more detail………

APPROVED COURSES

a) Review of Approved Courses – Current Status
Course 263 (Sept 2018) had 17 students and Course 264 (May 2019) 7 students, so meeting the budgeted 12 per course and with the front loading of these students helping FY2018/19 sales revenues. The belief is that Course 264 was impacted by the uncertainty regarding Brexit and potential impact on UK visas, EASA approvals and so on but this is difficult to confirm.

Whilst to all intents a Bespoke Course, Leonardo is generally running a version of the Approved Courses so is treated in this category. The first Leonardo intake was due January 2019, eventually arriving in May 2019 with 18 students, who joined Course 264. Further intakes are due in June 2019 (14 students) to do an A3 courses through to December 2019, with the potential of a further intake for a B1.3 course in July, just creeping into FY2018/19.

The Leonardo contract allows and the end user, QEAF, would actually prefer that the QEAF students are mixed with students from other backgrounds and nations. This is obviously more possible on courses intakes that coincide with the standard AST Approved Course dates in May and September.

Whilst it is very early days, just 8 days into Course 264 (mixed Direct Entry / QEAF) there is some evidence that there is a difference both in standard and application / attitude between the extremes of the two student groups. This was being monitored with a view to making a decision after a couple of weeks on whether to split the course. Instructor observations and student feedback form both groups caused this decision to be accelerated and the course is now split into Course 264 A & B. This makes it easier to accommodate the fact that the QEAF "pass" standard is lower than that required from EASA for Approved Course students and also ensures that the Direct Entry students are not held back by any additional teaching demands on the average QEAF student. This is the right decision from the perspective of both groups, but will impact AST profitability, even if the additional instructor capacity can be accessed.

Average student income varies as there can be students paying between £9,640 and £14,137. Generally speaking, the Scottish students pay less than Rest of UK (RUK) who pay less than non-EU international students.

Course		Start	No of Students	Average Annual Fee	Average Course Fee	Variation from 3yr Average		Total Course Income
261	Direct Entry	Sep-17	11	12,708.27	25,416.55	2,164.52		139,791.00
262	Direct Entry	May-18	9	10,806.89	21,613.78	-1,638.25		97,262.00
263	Direct Entry	Sep-18	17	12,259.70	24,519.40	1,267.38		208,414.90
264	Direct Entry	May-19	7	11,230.20	22,460.40	-791.62	78,611.40	278,861.40
	Leonardo / QEAF	May-19	18	11,125.00	22,250.00	-1,002.02	200,250.00	
					23,252.02			

The above table highlights the unpredictability of average and overall course revenues given variation of nationality and student numbers. Annual increases occurred in all but FY2018/19, which was missed due to the senior management issues.

Regarding Leonardo, the course fee of £250 per student week (£22,250 per full course) remains fixed until 31st December 2021, which is compounded by the cash flow profile of Leonardo students where 25% of fees are due at course start with the balance of 75% due only at course end. Whilst it was hoped there could be some mitigation on overall course revenues by blending Leonardo students with Direct Entry students, especially those from overseas, the experience on Course 264 suggests this is not realistic, impacting cash flow as well as profitability and instructor utilisation / effectivity.

A further complication and / or risk on Leonardo is that contractually the customer can start just 6 students at one month's notice, which if enacted would starve AST both of cash and instructor capacity. Tactics to manage this clause are being developed, with consideration being given to offering more fixed dates for courses starts, For example, a January start date might be added to the existing schedule of May and September.

b) Outlook for Approved Courses - FY 2019/ 20 Onwards

The Approved Course situation for FY2019/20 and subsequent years is interesting, with a number of developments including the first intake in September 2019 for the Perth College BSc Aircraft Maintenance Engineering and Management degree.

September 2019 will also see Course 265 start with Direct Entry student numbers slightly uncertain. At date of this business plan there are 8 expressions of interest against a standard 12 budgeted places, 5 of whom are UK and 3 overseas. It would be reasonable to expect around 6 of those enquiries to translate into confirmed places.

The BSc Aircraft Maintenance Engineering and Management degree programme has been marketed widely and the response has been good, reflecting the uniqueness of this programme within Scotland.

The BSc intake is potentially 28 students for September 2019, for a four year course in which years 1 & 2 are studied within AST. Additional "wrap-around" modules ensure the students are taught at the appropriate level for a degree programme.

28 is a good figure for AST as it is the maximum size of class allowed by UKCAA for theory training using 1 instructor, with a maximum of 16 per class for the year 2 practical sessions. The profile suggest around 60% are UK students with the balance being overseas and including industrial sponsors such as Shell Brunei. Many of the students are either on Perth College HNC programmes so will step up to the degree programme, whilst some are transferring across from the Perth College BEng degree.

It would be normal to assume that not all applicants holding offers actually appear at the course start, however the uniqueness of the BSc programme coupled with the number of students transferring or graduating from existing Perth College programmes gives more confidence than usual that a high percentage of offers will translate to firm places. For budgetary purposes it is assumed 25 students of which 8 are Scottish, 7 are RUK and 10 RoW.

There are two further elements to the September 2019 intake. Leonardo are expected to provide around 14 students for a 89 week approved course, whilst there is an expectation of 4 students from Keilir (Iceland) following the closure of that school in June 2019. Depending on comparison between the Keilir and AST courses and status of the individual student, it is hoped that these will be incorporated within the existing Approved Course intakes. If this cannot be achieved then it will impact staff utilisation and profitability. (Keilir will be discussed in more detail later in this paper)

The challenge facing AST from a business planning perspective is the much lower fee incomes that are generated by a UK based BSc student compared to a standard Approved Course applicant. A Scottish student will be worth £4,800 from Scottish funding mechanisms, whilst an RUK student will pay around £9,000 and an International student around £12,000. Further risk exists downstream as the UK government is considering a

reduction in fee rates in England and Wales, from £9,000 to perhaps £7,500, with a potential impact on Scottish universities and colleges of around £31m per annum.

In time this will become more of an issue as the BSc gets established and the awareness of the programme means some potential AST Direct Entry students migrate to the Perth College degree course.

For planning purposes it is assumed that AST get whatever income comes with that student in years 1 & 2, with no levy at present currently being payable back to Perth College, who will benefit from the student income in years 3 & 4.

The likely intake for September 2019, with associated income, is therefore looking like:

Course		Start	Source	No of Students	Annual Fee	Category Income	Category Income (Summary)	Average Annual Fee	Variation from Average AST
265	Direct Entry	Sep-19	Various	6	11,230	67,381	67,381	11,230	0
265	BSc	Sep-19	Scotland	8	4,800	38,400			
			RUK	7	9,000	63,000	221,400	8,856	-2,374
			RoW	10	12,000	120,000			
265	Leonardo	Sep-19	Qatar	14	11,125	155,750	155,750	11,125	-105
265	Keilir	Sep-19	Iceland	4	8,000	32,000	32,000	8,000	-3,230
				49			476,531	9,725	-1,505
Note: Average AST Fee assumed as Course 264 (Sep-19) average fee of £11,230									

Caution: above table shows income per annum, which does not translate to sales income as that must be phased to reflect course start dates, deferred income for future years etc. The income that can be claimed for 2019/20 is shown in the attached financial plan.

Course 266 is planned for May 2020 and is assumed to have 14 Leonardo students plus 6 Direct Entry students, totalling 20. This Direct Entry is just half of the typical assumed Direct Entry intake but reflects the belief that the BSc intake will prove increasingly popular, so some candidates will delay their programmes until the September BSc / Course 267 intake. Whilst this is acceptable with regard to student numbers, which might actually increase overall, negating any real impact on overall revenues, there is a risk if the proportion of Scottish students increases dramatically.

BESPOKE COURSES

a) Review of Bespoke Courses – Current Status

The Royal Air Force of Oman have been a long term customer of AST with a near-annual Engineering Officers Familiarisation Course (EOFC). In 2018/19 this exceeded budget with income of £77,000 against a budget of £27,000.

A liaison visit by the last RAFO course instructor in Q3/19 was much appreciated by the customer who was rumoured to be considering using UK RAF courses at Cranwell. RAFO has now confirmed an intention to send a further 7 students to AST for a course starting June 2019, worth approximately £72,000 if contract terms are replicated.

b) Outlook for Bespoke Courses - FY 2019/ 20 Onwards

The majority of the June 2019 RAFO course will actually be delivered in FY 2019/20. A Ground Operations Training programme (1 week @ £2,500) has been offered to DNATA, a UK based Emirates Airlines company, hopefully as the start of a bigger relationship with both the UK subsidiary and the global parent. To date however, DNATA have postponed all arranged course start dates.

There are no other current or identified prospects for Bespoke Courses, although generic descriptions of the RAFO course also appear in the Leonardo and other contracts or proposals.

Future marketing of Bespoke Courses will largely be on an opportunity basis although start dates and graduation events will feature, where permitted, on Facebook and other social or marketing media.

MODULAR, EXAMS & REMOTE SITES

This category of income is significant to AST, with the FY2018/19 Outlook of £408, 389 forming 22% of total revenue and contributing, using the Henderson Loggie model, over £85,000 contribution to the net £192,000 that AST is budgeted to achieve.

Generally speaking this category is the "breeding ground" for potential future Approved (formerly Second) Sites as Remote Sites are transitioned through negotiation and perhaps Consultancy through to Approved Site status. However, it is also clear from the diagram that a number of these Remote Sites have a relatively short life.

Analysis suggests that in some cases this is down to an identified training need having been met, with the customer then going dormant until the next requirement arises. An interesting example of this is Shell Brunei, who worked with AST in 2015/16 and have now recently emerged as a customer for the BSc degree programme with an indicative commitment of 2-3 students per annum for the next 5 years.

Remote Sites can be quite fickle as they have little actually invested in a relationship with AST. "Switching Costs" to an alternative Part 147 are low compared to those facing

Approved Sites, so it is important that AST performs at the highest level, both in course or exam delivery and also with regard to behaviours.

There is some evidence that certain sites were destabilised by competitors highlighting potential business risks arising from working with AST when Brexit meant that future EASA status was uncertain. A late decision by AST to mitigate the risk through Foreign Part 147 approval was probably taken too late for some customers and also probably impacted CAT's long term strategy and relationship with AST.

a) Review of Modular, Exams & Remote Sites – Current Status

As can be seen from the table below, Modular Notes & Exams has been reasonably constant over the past 3 years with no reason to suspect that any significant change will occur in 2019/20.

Remote Sites, is however a different situation with a number of the sites showing lower than budgeted revenue and one, CoA (Pakistan) being lost to AST due to a refusal of the UK CAA to travel to Pakistan due to UK FCO advice regarding risk of terrorism.

Modular & Exams	2018/19 Outlook	2018/19 Budget	Variance	2017/18 Actual	2016/17 Actual	2015/16 Actual
Modular Notes & Exams	203,749	200,000	3,749	197,478	186,562	118,289
NAAT	81,995	78,000	3,995	83,692		
HIOS (All sites)	27,505	50,000	-22,495	62,112	71,970	53,951
Pitot Aviation	14,200	28,000	-13,800	10,570	13,200	
Air Mauritius	26,400	27,000	-600			
CoA	13,990	13,992	-2	150,745	150,604	
East Wings Aviation	11,750	11,400	350	4,380		
Prestwick Air Maintenance	28,800	3,200	25,600	3,200	41,600	
LPAE (Sri Lanka)				11,741	28,010	
TAFE (Malaysia)				4,980		
TCI (Use of Scone Hangar)					1,688	60,000
Makasser (Indonesia)						93,059
Edulearn Pakistan (CoA??)						100,311
Shell Brunei						15,000
EAS Libya						- 500
AES Exams						2,268
	408,389	411,592	-3,203	528,898	493,634	442,378

The return of Prestwick Air Maintenance as a significant customer is welcome news and has effectively helped ensure this income category has delivered the planned budget for FY2018/19. It is not however a predictable customer and will also, in time, be at risk as the establishment of an Aviation Academy as part of the Ayrshire Growth Deal will almost certainly mean PAM transfer their business away from Perth.

b) Outlook for Modular, Exams and Remote Sites - FY 2019/ 20 Onwards

The outlook for Modular & Exams is reasonably stable, with a broad mix of students, the majority of whom are in employment or contracting, so using the modular format as a convenient, time and cost efficient means of gaining qualification. This also means the Modular Courses are less vulnerable to the longer but lower cost BSc programme.

One area of AST activity is to increase the attractiveness of AST to UK service personnel as they transition back into civilian roles. There are, for example, 1300 helicopter technicians and engineers just in the British Army, with significantly more in the RAF, whilst the Royal Navy is re-building fixed and rotary wing capability as the new aircraft carriers enter the fleet and take F35 Lightning aircraft. In time those engineers will seek to enter the civilian market. This represents a significant opportunity for AST.

AST has always offered discounted courses to ex-UK service personnel and recently expanded the discount to include the Royal Air Force of Oman. The UK MoD offer Enhanced Learning Credits (ELC) for up to 3 years, to be used to fund higher education courses. AST has a dormant registration and is currently investigating how this can be re-activated, with its courses made eligible for ELC funding awards.

The natural evolution for Remote Sites is, where market positioning and available investment funds allow, to transition to AST Approved (formerly Second) Sites. AST needs to replace lost Approved Sites at STPI (Indonesia) and Keilir (Iceland) together with providing some substitute revenues to backfill reductions on CAT (Kuwait).

Potential new Approved Sites are Pitot Aviation (Egypt) and NAAT (Nepal). Each of these is on a different trajectory, with perhaps Pitot being previously thought the most ready but now facing issues on levels of business, future investment and some political uncertainty. Other opportunities continue to exist in Indonesia, Malaysia, Cambodia and Vietnam but the challenge is finding those that truly have access to funding and political influence that will enable their dreams to become reality.

APPROVED (formerly Second) SITES

Feedback from certain partners, particularly in the Middle East and Indonesia, caused AST to realise that the former Second Site designation, although correct EASA terminology, was seen in some cultures as implying a lower status or subservient position. This was clearly not the intention of AST but in response, Second Sites are now categorised as Approved Sites ("Overseas Sites" was used for a short period but there is now the prospect of AST Approved Sites in the UK, most probably at Moray or in Ayrshire)

a) Review of Approved Sites – Current Status

FY2018/19 has seen very significant change in AST's Approved Sites where the year started with the loss of STPI (Indonesia), then saw a decision by CAT (Kuwait) to seek a different

contractual relationship with significant impact on AST margin and revenue in future years, although FY2018/19 revenues are currently above budget.

In February 2019 Keilir (Iceland) announced a decision to close their business in June 2019. This will mean that up to 19 students have to transfer mid-course to another provider, with 4 currently due to move to AST at Perth, with the balance staying with another provider in Iceland.

CAT represents 32% of overall AST revenue and is one of the most efficient customers with regard to the manning and associated support costs required. Keilir is also very profitable although with much lower figures, with a budgeted £76k revenue for FY 2018/19. STPI is much less significant at just £34k revenue and with associated costs that probably made a net loss to AST.

The impact on AST margin from these changes in Approved Site volumes is significant, with the Approved Sites total revenues budgeted at £809k, taking £450k of allocated costs (labour, overheads etc) and contributing over £350k margin to AST's bottom line. Given that AST budgeted overall profit is just £192k, it is clear that the Perth based operations are significantly under-performing and sheltering behind contributions generated outside the UK.

These projections are based on the Henderson Loggie cost allocation model. Discussions have been held with HL regarding the allocation basis for Approved Sites where AST feels that the model is possibly over-allocating overhead costs to the Approved Sites. This suggests that the margin impact of reduced Approved Sites revenues is being understated. A review of the HL model is anticipated in FY 2019/20

b) Outlook for Approved Sites - FY 2019/ 20 Onwards

A key driver for AST with regard to the Approved Sites is to see the future relationships as being much more about partnership and progressive development / evolution, rather than just very lucrative cash cows, underpinning the rest of the AST business model.

This will require some investment in travel and staff time, expensed against the revenues from each Approved Sites. The intention is that AST staff should visit Approved Sites with the focus on relationship building, mentoring and other development activities, as opposed to the current situation where visits are almost all related to running exams and training or conducting audits.

CAT (Kuwait)

Securing the future contractual arrangement with CAT is the most significant issue and it is anticipated this will be concluded during Q4 of FY2018/19, with an anticipated start date of 1st July 2019. Negotiations have largely been concluded and captured in two draft contracts that are being iterated.

The first is called Consultancy, which confusingly includes the fee for training materials & update access and is worth £180k per annum, with estimated delivery costs of £21k, so contribution of around £159k.

The second contract, called Examinations, includes the annual management fee of £30k plus the examination fees for those remaining CAT students sitting EASA, rather than DGAC / GCAA examinations. The Examination contract is worth approximately £48k gross, £42.3k net….but as stated above does include £30k of management fees. That fee ceases to be paid at the point CAT achieve full, direct approval from EASA. CAT have now made that application so realistically it looks as if Year 1 will be £48k with Year 2 and subsequent being £18k.

So, the overall revised CAT contract will be £228k gross / £200k net (before allocated costs) in Year 1, dropping to £198k / £171k in Years 2-5. This contrasts with the £590k budget / £603k forecast revenue in FY 2018/19. Fortunately there is a "tail" of revenue from classes still running through CAT under the previous contract which is worth approximately £330k in FY 2019/20. This will provide a degree of "soft-landing" to Approved Site revenue reductions.

Joramco (Jordan)

Joramco is a competently managed business that is well equipped and staffed. Based within a military site, there are restrictions on access and availability to certain students. Growth at Joramco is constrained not only by this but also the region in which it is based as potential catchment areas include Syria, Yemen and Iran, with the latter of course being embargoed. There are significant numbers of refugees in the region and disposable income is very low.

Joramco now also face internal competition from another Part 147 organisation within Jordan.

The FY 2018/19 budget for Joramco was £108k with a current outlook of £100k, which given the local and regional challenges is a very respectable performance. The Joramco contract with AST is due for renewal in summer 2019 and Joramco have indicated a wish to see lower costs to reflect their local circumstances.

It is AST's intention to pro-actively offer a reduction in both management and per head fees, ensuring that Joramco stays competitive in its local market and also demonstrating AST's longer term commitment to both Joramco and the region. It is likely a total likely income of around £75k will be agreed. Fortunately Joramco support costs are relatively small, recognising it is not long haul for flights and most visits can be achieved in the working week, with no add on costs for time-off-in-lieu (TOIL) etc.

Keilir (Iceland)

Keilir is a small Part 147 training centre owned by a group that is increasingly focused on ab-initio pilot training and has just acquired its principal competitor in Iceland. The Part 147 business has been announced as closing in June 2019, with 19 students mid-programme on their courses. AST has worked closely with Keilir and directly with affected students, with 4

of those students now planning to continue their training at AST Perth, with the balance migrating to an alternative Icelandic Part 147.

All costs associated with the transfer of the 15 students from Keilir to the alternative centre will be charged to Keilir.

There has always been interest from Iceland for training at AST Perth but the AST / Keilir arrangement meant that AST restricted marketing in the region. Moving forwards it is the intention to increase AST marketing to the region. Interestingly, Icelandic student grants are quite generous for overseas training and Scotland is generally a lower cost country than Iceland, providing further incentive to potential Icelandic applicants to AST.

Future Approved Sites

AST needs to generate additional Approved Site revenue to compensate for the loss of STPI and Keilir, together with reduced CAT amounts. Ideally the full deficit of £530k revenue could be filled by additional Approved Sites, but that is improbable given the time to transition Remote Sites to Approved Sites and also, realistically, the stage that prospective Approved Sites are at in their own evolution.

Repeating what has been stated above in Remote Sites, the potential new Approved Sites are Pitot Aviation (Egypt) and NAAT (Nepal). Each of these is on a different trajectory, with perhaps Pitot being previously thought the most ready but now facing issues on levels of business, future investment and some political uncertainty. NAAT is therefore the more likely to achieve Approved Site status first. As previously mentioned. There are also potential Approved Sites in Malaysia, Indonesia, Cambodia and Vietnam but identifying the right prospects, all of which will be "slow burners" is difficult.

It is difficult to assess likely FY 2019/20 revenues for Future Approved Sites recognising the lead-times involved. A prudent figure of £100k revenue, to include any related consultancy tasks will be used in the business plan, which will be additional to any revenues that would normally flow from those sites for existing training and examinations.

UK Based Approved Sites

Growth Deals at Moray and in Ayrshire both feature aviation training establishments delivering Part 66 training, often in conjunction with a degree or type approval. AST is currently positioned to provide Approved Site support to these new academies, with the potential for the sale of additional services. The possibility of AST providing some or all of the instructional staff is also being investigated, recognising that effective use of instructors increases the greater the opportunity for them to teach each module in the calendar year. Both opportunities are covered by non-disclosure or confidentiality agreements so cannot be expanded in this document.

Likely first revenues would be 2020/21 with the possibility of some consultancy / cost recovered activities in 2019/20.

5. ORGANISATION & TEAM

There is a clear requirement for AST to have a simplified structure in which activity streams are more defined, accountabilities of both managers and staff are properly documented and objectives are more clearly stated set against which performance can be monitored and reviewed.

The following schematic was used at the AST Strategy Day in April 2019 and shows the three principal areas of activity. AST is essentially a Training Delivery "business" with a front-end Sales & Marketing function accountable for all aspects of the revenue and commercial plans, with a "wrap-around" Approvals function tasked with maintaining external approvals whilst also adding a quality improvement culture.

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                          ┌─────────────────┐
                          │       AST       │
                          └─────────────────┘
                                   │
          ┌────────────────────────┼────────────────────────┐
┌───────────────────┐   ┌───────────────────┐   ┌───────────────────┐
│ Sales & Business  │   │    Training &     │   │     Approvals     │
│   Development     │   │   Examinations    │   │                   │
└───────────────────┘   └───────────────────┘   └───────────────────┘
```

- Ownership of "Revenue"
- Customer & Prospect Development
- Marketing Plan
- Publicity & Media
- Commercial
  - Contract Negotiation
  - Annual Reviews
  - Agreement Mgt

- Delivery of Training & Exams
- Ownership of "Cost"
- Development of Lecturers, Training Aids & Materials
- Student Management & Welfare
- Management & Mentoring of Approved Sites

- Ownership of Required Company Procedures, Regulatory Approvals etc
- Compliance Monitoring
- Support & Audit of Approved Sites

Clarifying roles and responsibilities, whilst co-locating as many as possible of the management and administration teams will give opportunities for increased efficiency, fewer errors and delays, reduced process times and so on. Ideally any released capacity will be utilised on other business improvement activities and also on picking up additional responsibilities regarding administration of Approved Sites, both in UK and abroad.

Sales & Business Development will take clear responsibility for delivering the budgeted and aspirational revenue figures, taking note also of the cash implications of the commercial decisions. This latter point is particularly important given the cash challenges of Leonardo.

Changes in how contracts are drafted and invoices raised will be implemented and mean that forecasts of deferred income and therefore a clearer understanding of what sales still need to be achieved each quarter to make budget or targeted income will be system generated by the central finance systems or by linked spreadsheets, rather than the current ad-hoc "off system" method. Regular, at least monthly, reviews will be made on progress to date on sales plus review of individual prospects which will be formally scored against a

Phase Gate model. Reflecting and documenting progress towards eventual contract and revenue business. Dormant or stagnating prospects will be identified and actions either taken to re-energise the prospect, or the prospect retire with S&BD resource then applied elsewhere on more likely prospects.

The Training Business has a number of challenges and opportunities in order to ensure it is delivering a cost effective quality training product to AST students, both in Perth and elsewhere.

Interestingly cost control of overheads is good but attention is needed on generating and ensuring investment in future training aids and infrastructure…..a key observation being that even in successful years AST has been under-investing in capabilities and has fallen behind some of its competitors. This is addressed in the proposed budget with an assumed £100k expenditure, always subject of course to business performance in the early plan months.

Investment will also be made in a new planning system for course scheduling and instructor allocations, recognising that the multi-format courses of AST and the very specialised issues of instructor approvals and UK CAA validations makes this a more complex planning operation than a standard FE / HE college year. Currently managed on a standalone bespoke system, it is envisaged an additional module of the AST Student Record Systems (SRS) will be commissioned, ensuring an integrated approach to scheduling and course management.

End 2019 sees the retiral of the Senior Training Manager (STM). This is a key UK CAA approved post as well as being fundamental to both the performance and ethos of AST as a training company. It is the intention to fill this vacancy late Q1/19, together with the creation and appointment of a new role, Deputy Training Manager Perth (DTM-P). This will mean that Perth and the Approved Sites will have a similar management structure in which day-to-day management is with the DTM and the STM is responsible for the achievement of required outcomes across ALL sites that use the AST approval.

The justification for the DTM-P role is that courses at Perth are getting more complicated to administer, compounded by the bespoke courses at Perth and other obligations / opportunities from abroad. There needs to be more attention to the local issues. This role will also allow the STM to spend an increased proportion of time at the Approved Sites, both ensuring a more intimate relationship with them whilst also bringing their standards up through mentoring and guidance. It is also intended the STM will be used as support to business winning activities, by sharing some of the burden of developing new customers and delivering training related consultancy. This will also facilitate bringing these new sites on line, initially as Remote Sites but also as potential future Approved Sites.

Other issues to resolve with the staff include job descriptions, grading and associated salary changes. The instructor pay-scaling arrangements are generally felt to be hindering the creation of a flexible and widely qualified staff as there is little financial incentive to seek advancement once a certain level of qualification has been achieved. This in turn means that capability gaps can exist, despite employing 16 instructors. The Time-Off-In-Lieu agreements also need to be revised to better fit the needs of the business and also to reflect some of

what has become custom & practice, but not formally documented. A similar situation exists on holiday entitlements where custom and practice differs from the contracted arrangements.

AST has the benefit of a 2 year salary settlement, arranged in February 2019, so no pay negotiations in August 2019. This gives a stable basis on which to develop and negotiate solutions to the above issues. It will however require some investment in the pay bill, with that being justified against improved efficiency and increased capacity, with possible mitigation also through staff release, non-replacement of leavers etc

6. FINANCE

The proposed budget for 2019/20 is the version previously submitted to the AST Board on 7th May 2019 and has not subsequently been revised to reflect the comments or observations of the AST Board.

(The Proposed Budget is supplied as a separate file AST Business Plan Possible Budget – May 2019 (FINAL to BOARD)

The background to the budget and the associated assumptions were discussed, without detailed review of individual lines or figures, with this review deferred to a later date, TBA. The points discussed with the AST Board are noted at the end of this section in 6(d).

Sections 6(a-c) titles refer to the three sheets in the attached Proposed Budget

a) **Income 2019-20**
   i. Approved Courses
      i. Courses 262-264 are confirmed and deferred income gives good start to 2019-20 revenues, totalling £350k, providing all students remain on programme
      ii. Approved Courses traditionally run at around 12 students but alternative BSc programme and potential Brexit impact means that a lower figure of 6 Direct Entry students now assumed. This is viable only if students can be combined with other programmes (eg Leonardo)
      iii. BSc programme are revenues very volatile depending on origin of students, with fee income between £6.6k for Scottish, £9k for Rest of UK (RUK) and £12,800 for overseas students.
      iv. (Post-meeting note…..Scottish rate revised down to £5,820 whilst £9k for RUK students looks as if it will be reduced to £7.5k from September 2020.)
   ii. Bespoke Courses
      i. Royal Air Force of Oman (RAFO) has responded well to AST visit by the last course instructor. Seven students now confirmed @ £11.1k
   iii. Modular & Exams (Perth)
      i. No growth / reduction assumed of 2018/19

ii. AST is re-registering for the UK Armed Forces Enhanced Learning Credits (ELC) programme which will allow leaving armed forces personnel to use MoD funding for re-training programmes, with the modular course being their preferred vehicle.

iv. Remote Sites

   i. With the exception of Prestwick Air Maintenance and Est Wings Aviation (Nigeria), all Remote Sites have been written down from 2018-19 budget to reflect actual performance in past year.

   ii. General observation is that Remote Sites are struggling to achieve minimum exam place levels (typically 60 exams) and there is no growth in fee income from price increases etc.

   iii. Strategy for 2019-20 will be to identify those Remote Sites where it is felt AST intervention / assistance will best realise increased revenues. RBS (Mauritius) is seen as a good prospect

   iv. Prestwick Air Maintenance is vulnerable for AST if the planned Ayrshire Aviation Academy materialises.

v. Approved Sites

   i. As detailed elsewhere in this paper, Approved Site have faced significant challenges in 2018-19, with 2 sites (STPI & Keilir) ceasing and CAT reducing significantly

   ii. The £332k "tail" to AST / CAT revenues is essential if AST is to make its plan in 2019-20. The required contracts are due for signature in July 2019.

   iii. Joramco is reduced in target from £107k to around £75k to reflect the difficult trading environment for Joramco given refugee crisis in Jordon, lowered disposable income levels and so on.

vi. Consultancy

   i. This is increased from £15k for 2019-20 to £30k despite no work being contracted in the past year. Reviews suggest this is just timing due to delayed government support or sponsorship. Failure for AST to win consulting tasks is a strong indicator of problems in establishing further Approved Sites, who usually contract consulting services from AST to enable the transition from, say, Remote Site, to Approved Site.

vii. SUMMARY-INCOME
The proposed target is £2.21m compared to £1.873m, an increase of around £340k. As discussed previously, further revenue exists but brings issues of staffing and cash flow due to Leonardo payment profiles.

b) **Income & Expenditure 2019-20**

   i. Income

      i. Training Income and Consultancy are translated from the previous sheet

      ii. Travel Expense Re-charges reflect historic levels of recovery, which is made without any percentage mark-up. Increasingly customers are seeking inclusive fees, rather than being exposed to additional invoices from AST so there is both risk and opportunity if the future.

ii. Direct Costs – Lecturing
   i. Salaries reflect the 2.5% Year 2 pay award settlement, effective from 1st August 2019
   ii. Organisation Adjustments of £15k reflect a requirement to address a pay-scaling issue where the current system is proving a barrier to staff flexibility as there is no incentive / requirement for staff to develop additional capabilities
   iii. Approving / Examining Body (CAA) increased from £19k to £50 to reflect anticipated additional cost of running an EASA Foreign Part 147 approval in parallel with a UK CAA approval, with any costs falling after any Brexit implementation

iii. Indirect Costs
   i. Adjustments for HR – reflects situation where there are five non-management staff roles requiring review to reflect level of responsibilities but also remove areas of duplication and overlap. Co-location of team will allow more efficient working and free capacity for other activities
   ii. Car Parking Passes – reintroduced as a staff benefit in 2019 to remove long running grievance regarding AST being at Perth but with staff required to work at both Brahan Building and Scone Airfield. Parking Permits now provided in lieu of travel claims.
   iii. Training Aids & Equipment - £20k shown as year 1 depreciation of £100k investment in new training aids, most probably to include a new large helicopter
   iv. IT Replacements – AST laptops are nearly all over 4 years old and do not have the latest required standard of encryption. Desktops are a similar age but as fixed in Brahan or at Scone the hardware deficiency is less problematic. Intention is to replace all laptops and desktops subject to business performance, with depreciation over 3 years, so a £20k investment with £6.67k annual charge
   v. Digitisation / New Planner – AST needs a new planning tool for scheduling classes against instructor availability and specific personal competencies. In addition, opportunities exist to digitise certain elements of ten student engagement / registration process. A further project element is the first steps to preparing certain training modules to allow them to be supplied as soft cover / remote learning packages…..increasing revenues whilst negating the need for paper copying or printing. £15k spend assumption in 2019-20, fully expensed in year. No costs savings or increased revenues assumed in this plan year but are anticipated for 2020-21 onwards.
   vi. Support to TCD and Other Growth Deals – Tay Cities Deal and other aviation academies planned for Moray and Ayrshire present a great opportunity for AST regarding establishing Approved Sites elsewhere in Scotland, together with building relationships with Boeing, Ryanair etc. This £20k budget anticipates a degree of upfront expenditure which is outside and additional to the usual marketing spends.

  vii. Depreciation - £30k represents depreciation on the existing AST infrastructure, with depreciation of new investments separately accounted

 iv. INCOME & EXPENDITURE – SUMMARY
  Planned margin of £261k compared to budgeted margin for 2018-19 of £192k and current outlook of £158k, which includes non-budgeted expenditure on a management consultant

c) **Cash Flow 2019-20**

 i. Inflows – modelled to reflect expected payment dates for all invoices, typically 30 days after invoice. Some customers are 60 days or net 30 days post month of invoice.

 ii. Leonardo contract allows 25% invoice at course start and 75% invoice at completion. For some 89 week courses this means income and expenditure is allocated over three years, but the middle year has no cash receipts. This has a significant impact on overall AST cash, as shown in the model.

 iii. Some Leonardo courses are shorter at 25 weeks, allowing cash receipts within the same financial years, whilst optimum start dates for 89 week courses are being positioned with the customer, ensuring that the cash payments arrive in consecutive years, with a fallow period

 iv. AST is also highly dependent on CAT for cash and in particular the £356k which largely represents margin, given the majority of that sum is for IP sales and only limited staff time or direct costs.

 v. For 2019-20 total sales is £2.213m against £1.938k cash receipts, showing a deficit of cash v sales of -£275k, all driven by Leonardo payment terms

 vi. Overall net cash is -£141k, which will need to be addressed through management action and / or re-budgeting.

 vii. This would normally be unacceptable but would largely self-correct if the significant upgrade investments of £135k and £30k on staffing cost changes did not occur in part or in full.

d) **AST Board Discussion – 7th May 2019**

The following points discussed by AST management and AST Board were:

 i. Revenue is quite conservative with potential for more Leonardo at Perth, however that brings issues or resourcing & cash flow. (OPTION)

 ii. Investment in IT / Training Aids / Digitisation (GOOD)

 iii. Additional Instructor recruited to reflect increased Perth workloads from Leonardo, BSc Degree Course (REVIEW…..is one additional staff enough??)

 iv. Provision for staffing costs changes related to role re-grading and re-alignment (GOOD)

 v. Recognises 2 year pay deal concluded in January 2019, so 2.5% for the second year, commencing 1st August 2019 (GOOD)

vi.   Forecast Margin acceptable, noting the planned investments and potential staff changes (OKAY)

vii.   Cash Flow is negative over the full year of 2019/20 and reflects the poor contract terms with Leonardo with 25% at start and 75% at completion of course. This would normally be unacceptable at -£141k but would largely self-correct if the significant upgrade investments of £135k and £30k on staffing cost changes did not occur in part or in full. (MONITOR)

viii.   The AST Board's view is that AST effectively "earns the right to invest" by improving its performance on revenue, costs and cash…….with the AST Board supportive indeed encouraging of such investments. (AGREE)

AST Management agreed to look at a revised budget that considers higher revenue, probably at Perth, with an additional instructor and seeking improved cash flows. The later requirement is only likely to occur if there is increased non-Leonardo work or alternatively more shorter Leonardo courses (eg A3), where final payment occurs 25 weeks after course start, not 89 weeks.

END

AST ENGINEERING LIMITED
BUDGET FOR THE YEAR ENDING 31ST JULY 2020 (PROPOSED)

INCOME 2019-20

	Start	End	Wks	Hols	Stud'	Av Fee	Fee/wk	Fee/wk with Hols	2019 AUG	2019 SEP	2019 OCT	2019 NOV	2019 DEC	2020 JAN	2020 FEB	2020 MAR	2020 APR	2020 MAY	2020 JUN	2020 JULY	PLAN TOTAL	2018/19 BUDGET	VAR
									4	4	5	4	5	4	4	4	5	4	4	5	52		
APPROVED COURSES																							
262	30/04/2018	03/04/2020	89	12	9	21,614	243	214	7,704	7,704	9,630	7,704	9,630	7,704	7,704	7,704	0	0	0	0	65,483		
263	03/09/2018	24/07/2020	89	10	16	24,519	275	248	15,851	15,851	19,814	15,851	19,814	15,851	15,851	15,851	19,814	15,851	15,851	19,814	206,062		
264	06/05/2019	09/04/2021	89	12	7	22,460	252	222	6,227	6,227	7,783	6,227	7,783	6,227	6,227	6,227	7,783	6,227	6,227	7,783	80,946		
265	02/09/2019	23/07/2021	89	10	6	22,460	252	227	0	5,445	6,806	5,445	6,806	5,445	5,445	5,445	6,806	5,445	5,445	6,806	65,339		
266	May-20	Apr-21	89	12	6	22,460	252	222										5,337	5,337	6,671	17,346		
Total Approved									29,781	35,226	44,033	35,226	44,033	35,226	35,226	35,226	34,403	32,860	32,860	41,075	435,177	467,090	-31,913
BSc Degree Programme	02/09/2019	23/07/2021	89	10	15	13,200	148	133	0	8,000	10,000	8,000	10,000	8,000	8,000	8,000	10,000	8,000	8,000	10,000	96,000	0	96,000
			89	10	10	20,000	225	202	0	8,081	10,101	8,081	10,101	8,081	8,081	8,081	10,101	8,081	8,081	10,101	96,970		
Total Degree									0	16,081	20,101	16,081	20,101	16,081	16,081	16,081	20,101	16,081	16,081	20,101	192,970	0	192,970
Leonardo "264" B2	06/05/2019	09/04/2021	89	12	18	22,250	250	220	15,861	15,861	19,827	15,861	19,827	15,861	15,861	15,861	19,827	15,861	15,861	19,827	206,198		
Leonardo "xxx" A3	24/06/2019	12/12/2019	24	0	14	6,000	250	250	14,000	14,000	17,500	14,000	10,500								70,000		
Leonardo Batch 3 B2	Jul-19	Jun-21	89	12	8	22,250	250	220	7,050	7,050	8,812	7,050	8,812	7,050	7,050	7,050	8,812	7,050	7,050	8,812	91,644		
Leonardo Batch"265" 4 B2	02/09/2019	23/07/2021	89	10	14	22,250	250	225	0	12,586	15,732	12,586	15,732	12,586	12,586	12,586	15,732	12,586	12,586	15,732	151,030		
Leonardo Batch"265" 4 B2	May-20	Apr-21	89	12	14	22,250	250	220										12,337	12,337	15,421	40,094		
Total Leonardo									36,911	49,497	61,871	49,497	54,871	35,497	35,497	35,497	44,371	47,833	47,833	59,792	558,966	120,000	438,966
TOTAL APPROVED									66,692	100,804	126,005	100,804	119,005	86,804	86,804	86,804	98,875	96,774	96,774	120,967	1,187,112	587,090	600,022
																					1,187,112		
BESPOKE																							
Royal Air Force of Oman	Jun-19		26	0	7	11,100	427		11,954	11,954	14,942	11,954	0	0	0	0	0	0	0	0	50,804		
TOTAL BESPOKE									11,954	11,954	14,942	11,954	0	0	0	0	0	0	0	0	50,804	41,897	8,907
																					50,804		
MODULAR, EXAMS & REMOTE SITES																							
Modular & Exams (Perth)			52	0		200,000	3846		15,385	15,385	19,231	15,385	19,231	15,385	15,385	15,385	19,231	15,385	15,385	19,231	200,000	200,000	0
Remote Sites																							
NAAT/CAAN										10000		10000		10000		10000		10000			50,000	78,000	-28,000
HIOS (All Sites)										4,000		3,000		4,000		4,000	4,000		4,000	4,000	27,000	50,000	-23,000
Pitot Aviation									5,000					5,000				5,000			15,000	28,000	-13,000
Air Mauritius / RBS									4,224	4,224						6,000	7,500	6,000	6,000		33,948	36,000	-2,052
East Wings Aviation												4,000			4,000				4,000		12,000	11,400	600
Prestwick Air Maintenance																		2,000	2,000	2,000	6,000	3,200	2,800
TOTAL MODULAR, EXAMS & REMOTE									24,609	33,609	19,231	32,385	19,231	34,385	19,385	35,385	30,731	33,385	36,385	25,231	343,948	406,600	-62,652
																					343,948		
APPROVED SITES																					0		0
																					0		0
CAT																							
Management Fee (Legacy)			52			38,000	731		2,923	2,923	0	0	0	0	0	0	0	0	0	0	5,846		5,846
Notes & Exams (Legacy)									30,390	30,390	30,390	30,390	30,390	30,390	30,390	24,043	24,043	24,043	24,043	24,043	332,947		332,947
Consultancy (New)			52			180,000	3462		0	0	17,308	13,846	17,308	13,846	13,846	13,846	13,846	13,846	13,846	17,308	152,308		152,308
Examinations (New)		AST Approval	52			48,000	923		3,692	3,692	4,615	3,692	4,615	3,692	3,692	1,385	1,731	1,385	1,385	1,731	35,308		35,308
		CAT have EASA approval	52			18,000	346	**Total CAT**	37,005	37,005	52,313	47,928	52,313	47,928	47,928	39,274	43,082	39,274	39,274	43,082	526,408	590,897	-64,489
																					526,408		
JORAMCO																							
Management Fee (Legacy)																					0		0
Notes & Exams (Legacy)																					0		0
Management Fee (New)			52			20,000	385		1,538	1,538	1,923	1,538	1,923	1,538	1,538	1,538	1,923	1,538	1,538	1,923	20,000		20,000
Notes & Exams (New)			52			55,000	1058		4,231	4,231	5,288	4,231	5,288	4,231	4,231	4,231	5,288	4,231	4,231	5,288	55,000		55,000
Total JORAMCO									5,769	5,769	7,212	5,769	7,212	5,769	5,769	5,769	7,212	5,769	5,769	7,212	75,000	107,824	-32,824
																					75,000		
Keilir							**Total Keilir**		0	0	0	0	0	0	0	0	0	0	0	0	0	75,696	-75,696
STPI							**Total STPI**		0	0	0	0	0	0	0	0	0	0	0	0	0	34,474	-34,474
TOTAL APPROVED SITES									42,775	42,775	59,525	53,698	59,525	53,698	53,698	45,043	50,293	45,043	45,043	50,293	601,408	808,891	-207,483
																					601,408		
CONSULTANCY							**TOTAL CONSULTANCY**		0	0	15,000	0	0	0	0	15,000	0	0	0	0	30,000	15,000	15,000
																					30,000		
GRAND TOTAL REVENUE									146,029	189,141	234,703	198,840	197,760	174,886	159,886	182,232	179,899	175,202	178,202	196,491	2,213,272	1,859,478	353,794
																					2,213,272	1,873,470	
																						339,802	

Committee	Board of Management
Subject	Construction Industry Training Board (CITB)- Subcontracting Issue
Date of Committee meeting	12/06/2019
Author	Veronica Lynch, Vice Principal External
Date paper prepared	05/06/2019
Executive summary of the paper	This paper provides an overview of the contractual position between Perth College UHI and CITB for the delivery of MA Construction – Carpentry and Joinery. Changes to the Construction Framework has resulted in increased costs of delivery that are not fully funded through the contract. National negotiations have achieved some progress but with partial success. This presents options for consideration and endorsement by the Board. It is recommended that the Board note the contents of the paper and endorse the following Options for the College's future delivery of the MA Construction: 1. For Current Candidates Recommended Option 3 - College absorbs additional Assessor and Verifier costs and sees out the contract for 2017/18 and 2018/19 intakes. 2. For Students starting 2019/20 Recommended Option 4 - Maintain framework contact with CITB and transition to college contract over 1-2 years. 3. Endorse the College signing the 3 year CITB framework agreement and the associated annual call-off contract for 2018/19 on the basis of the options presented.

Consultation How has consultation with partners been carried out?	This has been part of a 2 year negotiation between all Scottish Colleges and CITB. Consultation with Scottish Government, Skills Development Scotland, SQA and industry has been undertaken during this 3 year period.
Action requested	☐ For information only ☐ For discussion ☒ For recommendation ☒ For approval
Resource implications (If yes, please provide details)	**Yes**/ No Additional costs of up to 3 workbased assessors will require to be recruited during 2019/20 at a total cost of £119,616 per annum. (Subject to national bargaining and cost of living increases)
Risk implications (If yes, please provide details)	**Yes**/ No Risk 1. Not signing CITB Framework and Call Off contract for 2018/19 resulting in non payment for the delivery already undertaken, thereby potentially reducing the funding available to support the broader student experience. **Mitigation** – legal advice received through Colleges Scotland and a sector wide approach to the contractual negotiations has created a position of strength for the Colleges. 2. Construction Industry not yet fully aware of Perth College UHI offering MA Construction directly as a competitor to CITB. **Mitigation** – National Communications Campaign and proactive targeting of Perth and Kinross Construction businesses to grow direct engagement
Link with strategy Please highlight how the paper links to the Strategic Plan, or assist with: • Compliance • National Student Survey • partnership services	This project supports the delivery of the strategic aim 2. Work in partnership to foster and drive positive change and growth in local, regional, national and international economies.

• risk management • other activity [e.g. new opportunity] – please provide further information	
Equality and diversity **Yes/** No If yes, please give details:	All candidates will be recruited, trained and assessed in accordance with the College's Equality and Diversity processes.
Island communities Does this activity/ proposal have an effect on an island community which is significantly different from its effect on other communities (including other island communities)?	Yes/ **No** If yes, please give details: Click or tap here to enter text.
Data Protection Does this activity/ proposal require a Data Protection Impact Assessment?	Yes/ **No** Set out any data protection aspects and whether a data protection impact assessment is needed
Status (e.g. confidential/non confidential)	Confidential
Freedom of information Can this paper be included in "open" business?*	Papers should be open unless there is a compelling reason for them to remain closed. If a paper, or parts of a paper, are to remain closed the reason for that exemption must be specified – see reasons below

* If a paper should **not** be included within 'open' business, please highlight below the reason.

Its disclosure would substantially prejudice a programme of research	☐	Its disclosure would substantially prejudice the effective conduct of public affairs	☒

Its disclosure would substantially prejudice the commercial interests of any person or organisation	☒	Its disclosure would constitute a breach of confidence actionable in court	☐
Its disclosure would constitute a breach of the Data Protection Act	☐	Other [please give further details] Click or tap here to enter text.	☐

For how long must the paper be withheld? Click or tap here to enter text.

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

Construction Industry Training Board - Subcontracting Issue

Background

The delivery of Construction MAs is a significant part of the Construction Department's portfolio with 32 Carpentry and Joinery candidates recruited annually, currently through a subcontracting arrangement with the Construction Industry Training Board (CITB). The MA scheme is a 4-year programme where the candidate attends College across the 4 years but predominantly over years 1-2. The remainder of the time spent with the employer in the workplace. Until 2017/18, the MA delivery model was a Professional Development Award (PDA) and a Vocational Qualification (VQ) Level 3 called a CREW (Candidate Record of Evidence from the Workplace) both of which delivered by the college over a number of years.

In August 2017, SQA and CITB took the decision to remove the ability for candidates to provide CREW evidence from college workshops, stipulating instead, the requirement for direct observation of work based assessment. The employer is not eligible to undertake that Expert Witness role and this requires to be undertaken by the College as part of the candidates' achievement of the qualification and competence of the relevant skills. At that time, the costs of the skills tests were also passed to the Colleges to deliver within the subcontract fee.

As part of the subcontracting arrangement with Colleges, CITB typically provided only 30% of the fee that they were able to draw down from Skills Development Scotland. Previously, with the delivery of the qualification alone, this was viable when College Credit funding was taken into account.

In addition, there were contentious clauses that were causing concern and legal advice was commissioned by Colleges Scotland on behalf of the sector. Appendix 1 highlights these clauses. As a result, to date this contract has not been signed by the College.

With the additional requirements of the workbased assessment elements, this made the financial model unsustainable. As a result, since August 2017, Colleges have been undergoing a collective negotiation with CITB, SQA, SDS and the Scottish Government to seek the following:

1. Increase in fees from CITB – This was offered as a 14% uplift with an increase to 20% if the work based assessment elements were able to be absorbed by the Colleges. Agreement on funding the Skills Tests was agreed until December 2019.
2. SQA – Request to delay the introduction of the Workbased Assessment element for 12 months.
3. SDS and Scottish Government – Request to recognise the role the Colleges play in the delivery of the MA Construction for 28% of the SDS fee (£2,454 instead of £8,700. Both were also asked to support a solution to fund the per candidate shortfall of £4,531 per MA.

4. SDS – Colleges opted to bid for MA Construction places on our own SDS contract. These were awarded in April 2019; however, this now requires the College to compete with CITB for MA Construction places with regional Carpentry and Joinery firms. This will require 12 months to build the market but work is already underway.

5. CITB – Removal of contentious clauses in the contract. Variations provided.

In May 2019, after 18 months of negotiation and lobbying at Ministerial level, it was confirmed that SQA were unable to delay the Workbased Assessment element of the qualification and that the Scottish Government were unable to fund the shortfall in the delivery. These decisions puts all the risk back to the Colleges and as a result, the contractual relationship with CITB must now change with each potential option involving implications for the College.

CITB Contractual Framework 2018-21

Within this framework, clauses relating to termination were of particular concern and following a legal appraisal via Scotland's Colleges solicitors, some minor amendments were agreed by CITB. The solicitors however are still advising caution in relation to the agreements.

Whilst the proposed variations to contracts for 2018/19 provided by CITB are not perfect, they do appear to move us forward with the key issue of ensuring that colleges who serve notice on the contract are not left with any obligation to continue to provide training. It was accepted by the College Principals Group that there will be work involved in any handover of learners if a college did serve notice and that this would not be in the best interests of the learners.

The Colleges had continued to work with the CITB apprentices outside of any contract and claimed SFC credits as usual. Failure to sign the CITB agreement in year prevents us from claiming the associated CITB sub-contractor income. This is therefore a risk to the College that the outstanding contract value of £88,721 may not be received during 2018/19 financial year.

Once the sector received confirmation that neither SQA would delay the implementation of the Construction framework nor the Scottish Government opting to fund the additional costs of assessors, College Principals agreed that the national advice not to sign the agreement would be lifted and each College was to decide the way forward based on its own circumstances.

The Board is requested to consider this situation in the context of the information presented.

Options for Consideration

<u>Current Candidates</u>

The options open to the College are as follows:

1. Terminate the CITB contract
2. Terminate the contract and open negotiations with CITB for delivery of PDA element of new framework only for current MAs.
3. College absorbs additional Assessor and Verifier costs and sees out the contract for 2017/18 and 2018/19 intakes.

By absorbing the additional Assessor and Verifier costs, this could potentially have impacted other areas of college delivery through the requirement to make efficiencies. With an annual intake of 32 candidates, up to 3 Workbased Assessors will require to be recruited to deliver this contract from August 2019. Without credits funding, the contract value does not cover the cost of delivery with a deficit of £167, 461. Taking credits funding into account in 2018/19 and until these additional costs are requiring to be incurred, this delivery would largely break even.

Recommendation for Current Candidates

Following a review with curriculum staff and employers who have candidates undertaking their MA Construction qualifications at Perth College and taking all factors into account, it is recommended that the College absorb these additional costs - Option 3.

This would ensure continuity for existing candidates and would maintain positive relationships with employers. Those employers will be targeted to ensure they are aware of the fact that the College will be recruiting MA's directly rather than through CITB as the intermediary. This will be supported by a national communications strategy by Colleges Scotland to support the broader messaging of the candidate experience, value for money with the funding following the learner and the productivity gains achievable through the single customer interface.

<u>Future Students starting 2019/20</u>

1. Do nothing. Continue delivering construction Modern Apprenticeships as a sub-contractor to CITB.
2. Serve notice. Remove service as sub-contractor to CITB. Cancel contract in its entirety.
3. Rapid transition. Maintain framework contract with CITB but do not take part in 2019-20 "call- off". All new construction MA starts delivered through college contract.
4. Staged transition. Maintain framework contact with CITB and transition to college contract over 1-2 years. This would mean that 2019-20 starts are mixed between College and CITB.

Based on existing strong relationships with regional employers but not yet being recognized as providing MA Construction directly, option 4 of a Staged Transition would be the most preferable scenario. The College will continue to promote MA Construction to employers for 2019/20 and will accept all eligible candidates on our own contract.

To mitigate this risk, Perth College bid for and were successfully awarded places in April 2019 from Skills Development Scotland (SDS) through the UHI Workbased Learning Hub who undertake the contract management on behalf of all Academic Partners. Running the 2 contracts in parallel would enable the College to recruit Assessors and transition to the full delivery with an intention to aim for August 2020.

The additional salary costs to the College from 2019/20 onwards of implementing this contract will be £119,616 per annum. These additional costs will be offset by College credits that will be able to be drawn down for the delivery of these qualfications.

Based on the national recommended delivery model, the net subsidy required by the College to deliver this will be £51,044. The College will aim to deliver these within a similar model to other Apprenticeships reducing the net subsidy required to £14,000.

By transitioning all MA Construction candidates onto Perth College's own SDS contract, this will mean that 100% of the £8,700 per candidate will be able to be retained within the College to support the delivery of the qualification and assessment. This equates to a total candidate value of £278,400. The projected margin on delivery to a group of 32 candidates would equate to 15% once all costs have been taken into account.

Recommendation

It is recommended that the Board note the contents of the paper and endorse the following Options for the College's future delivery of the MA Construction:

1. For Current Candidates Recommended Option 3 - College absorbs additional Assessor and Verifier costs and sees out the contract for 2017/18 and 2018/19 intakes.

2. For Students starting 2019/20 Recommended Option 4 - Maintain framework contact with CITB and transition to college contract over 1-2 years.

3. Endorse the College signing the 3 year CITB framework agreement and the associated annual call-off contract for 2018/19 on the basis of the options presented.

V Lynch
11 June 2019

Appendix 1: Contentious extracts from the CITB Framework Agreement

5.4.   If the Provider receives a Call-Off ITT and wishes to bid for the Services described in that Call-Off ITT, it shall respond to the Call-Off ITT within the specified deadline which response shall include:

    5.4.1. Confirmation of the availability of places on each of the courses requested ;

    5.4.2. where no course is currently planned and/or there is no availability on any current course, details of the minimum number of learners required to make running that course commercially viable for the Provider;

    5.4.3. Details of the geographical locations of the Provider at which each course can be provided.

5.5.   CITB shall allocate the available Learners to Capable Providers on the basis of the Award Criteria set out in Schedule 1.

5.6.   CITB shall be under no obligation to award any Services under this Framework Agreement following the issue of a Call-Off ITT.

5.7.   By way of confirmation of the award of a Call-Off Contract, CITB will submit an Award Letter to each successful Framework Provider which:-

    5.7.1. confirms the Services required; and

    5.7.2. incorporates the Call-Off Terms and Conditions

    For the avoidance of doubt, the Provider is not authorised to commence delivery of the Services until receipt by CITB of an Award Letter signed by the Provider.

5.10.   The Provider shall indemnify and keep indemnified CITB against all costs claims demands losses and expenses suffered or incurred by any person as a consequence of the Provider providing the Services other than in accordance with this Agreement in general including any costs incurred by CITB in arranging for alternative Providers to continue delivering the Services to Learners recruited by the Provider in breach of this Framework Agreement.

8.1. The Provider shall take appropriate steps to ensure that neither the Provider nor any Staff are placed in a position where (in the reasonable opinion of CITB) there is or may be an actual conflict, or a potential conflict, between the pecuniary or personal interests of the Provider and/or Staff and the duties owed to CITB under the provisions of this Framework Agreement and/or any Call-Off Contract and the Provider shall promptly notify and provide full particulars to CITB if any such conflict arises or is reasonably foreseeable.

8.2. The Provider shall not enter into any contract with any political or religious organisation using any funding provided by CITB under this Framework Agreement or any Call-Off Contract if the effect of that contract would be to promote a particular political or religious point of view.

8.3. Without prejudice to any other right or remedy of CITB, CITB reserves the right to terminate this Framework Agreement and/or any and/or all Call-Off Contracts immediately by giving notice in writing to the Provider and/or to take such other steps it deems necessary where, in the reasonable opinion of CITB, there is or may be an actual conflict, or a potential conflict, as described in clause 8.1.

10. European Funding and Other Sources of Funding

10.1. The Provider must not use any funding or payments of any nature received under or pursuant to this Framework Agreement or any Call-Off Contract for the purpose of making bids or claims from any European source of funding on its own behalf or on behalf of CITB including but not limited to match funding, without obtaining consent in writing from CITB.

10.2. Where the Provider has access to other funding streams, the Training Provider will be required to demonstrate through accounting, management information systems and any other relevant evidence (in the sole discretion of CITB or any other body undertaking the audit or monitoring) to CITB that no double funding has occurred in respect of the Services delivered under the Framework Agreement and any and all Call-off Contracts.

10.3. Where CITB (or The Skills Development Scotland Co. Limited) identifies double funding in respect of the Services, the Provider shall repay to CITB on demand any sums paid by CITB in respect of the Services for which the Provider has received funding from another source and CITB reserves the right to deduct such sums from any monies due or payable to the Provider under this Framework Agreement or any Call-Off Contract.

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28.4   Termination or expiry of this Framework Agreement shall be without prejudice to any rights, remedies or obligations of either Party accrued under this Framework Agreement prior to such termination or expiry.

28.5   Any provision of this Framework Agreement which either expressly or by implication is intended to come into or continue in force on or after termination of this Framework Agreement shall survive the termination or expiry of this Framework Agreement.

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Framework Agreement

For the avoidance of doubt, notwithstanding the termination or expiry (howsoever it occurs) of any or all of these contractual arrangements (including, without limitation, the Appendices, the Call-Off Contract or the Agreement) the Training Provider's obligations to complete at its own expense the course of training set out in the agreement between the Training Provider and the Learner shall remain in full force and effect until that course of training is completed.

Furthermore, this clause 28.5 shall survive any such termination or expiry as is referred to above and shall remain in full force and effect until the Apprenticeship programme is completed.

Strategy, Policy, or Procedure Approval – Committee Cover Sheet

Paper 10

Section A – to be completed by Owner/Lead Author

Document Title	Display Screen Equipment Policy
Owner	TBC
Lead Author	Head of HR & Organisational Development
Lead Editor	Health Safety & Wellbeing Advisor
Status	New
Committee for Approval/ Endorsement	CMT
Summary of revisions made *to be completed by lead author*	
Consultation	Health and Safety Committee Tabled with H&S Committee, no comments
Equality Impact Assessment	

QUAL0102a – Approval Process for Cross College Strategy, Policy, Procedure Committee Cover Sheet (v1)

Section B – Record of Approval (to be completed by Clerk of Committee and forwarded to lead author and Quality Unit)

Committee	Corporate Management Team
Date of Meeting	22 May 2019
Decision	**Endorsed**
If endorsed name of Committee to Approve	*Board of Management*
Date sent to Committee	*04 June 2019*
Outcome of Committee consideration	*Delete as appropriate:* **Approved, Approved minor change*** *Note of further revisions required:

Display Screen Equipment (DSE) Policy

January 2019

DRAFT

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www.perth.ac.uk

University of the Highlands and Islands
Perth College

Version Control History

Version Number	Date of Change	Summary of Revisions Made
V1.0	May 2018	New Policy to clarify roles and responsibilities, to ensure compliance with current legislation and guidance

Display Screen Equipment Policy

1. Purpose

1.1   All employers are under a general duty to assess the risks to health and safety for their employees and anyone else who may be affected by their activities. As part of this general duty, work with Display Screen Equipment (DSE) must be assessed against the requirements of the Health and Safety (Display Screen Equipment) Regulations 1992 (amended 2002).

1.2   The Health and Safety at Work etc. Act 1974 (HASAWA) states that employees have a duty to take reasonable care for the health and safety of themselves and therefore as a result the employee should bring to the attention of their line manager any problems that they may be experiencing whilst working with DSE.

1.3   It has been established that the following health problems may arise from the intensive use of DSE.

- Upper limb disorders and lesser problems of temporary backache, muscle fatigue etc. caused by bad posture.
- Temporary visual fatigue caused by such factors as poor lighting, glare, reflections, flickering screen, concentrated DSE work and poorly positioned DSE. (There is no evidence of DSE work being associated with permanent damage to eyes).
- Soreness of the eyes from low humidity.
- Fatigue and general stress related to such factors as unfavourable environmental conditions and task planning.

1.4   There are other minor or alleged health effects, such as Epilepsy and Facial Dermatitis, that sometimes cause people concern, but there is no medical evidence to suggest these conditions are caused by DSE work. Other concerns are effects on pregnant women (no medical evidence to suggest there is any link between DSE work and miscarriage or birth defects) and electromagnetic radiation (no harmful emissions).

1.5   It is the policy of the Perth College UHI to provide a safe and healthy working environment for employees, which includes particular measures to protect their health and safety when using DSE.

2. Scope

2.1   This policy sets out the procedures to be followed in the risk assessment and use of DSE. The policy applies to all staff, including temporary and agency staff, contractors, volunteers, students and those on work experience. It forms an integral part of Perth College UHI Health and Safety Policy and applies to all situations involving DSE where the risk assessment has identified the person as a "user". This policy also applies to home working i.e. where a person is authorised to perform DSE at home.

Title: Display Screen Equipment
Version/Status: V1, Draft
Approved By/Date:
Effective Publication Date: TBC

Owner: Head of HR & Organisational Development
Lead Author: Health, Safety & Wellbeing Advisor
Review Timing/Date: TBC

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3. Definitions

3.1   Display Screen Equipment

A system based on a video display, a keyboard and any other equipment supporting user interaction with a computer system. Includes:

- Any alphanumeric or graphic display, regardless of the display process involved.
- Portable DSE such as laptops and new handheld devices e.g., tablets and smart phones, are subject to the Regulations if in prolonged use for work purposes.

3.2   Workstation

Includes optional accessories or peripherals, including any necessary office furniture such as:
- Screen, keyboard, mouse, desk, chair
- The environment – light, heat, noise, space
- Applies to employees required to work from home

3.3   User

Any person who:

- Normally uses DSE for continuous or near continuous spells of an hour or more at a time
- Uses it in this way more or less daily when at work
- Has to transfer information quickly

4. Key Principles

4.1   Perth College UHI shall fulfil its obligations by:

- Assessing all workstations, using a self-assessment approach supported by a trained DSE assessor where necessary.
- Arrangements for referral to Occupational Health, when health issues due to DSE use are suspected.
- The provision of suitable work equipment
- The provision of information and training for users, primarily through a computer based package
- The provision of eye examination and testing for all users, and assistance in the provision of corrective glasses, where these are required **solely and specifically** for DSE work.
- Making arrangements for regular breaks for employees working with DSE.

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5. Responsibilities

5.1   The organisational structure for the implementation and management of the College's statutory health and safety duties are described in detail in the Health and Safety Policy. Specific duties relating to this policy are detailed below.

5.2   The Principal/Chief Executive is responsible for:

- Making sure that there are arrangements for identifying, evaluating and managing risk associated with DSE working
- Providing resources for putting the policy into practice
- Making sure that there are arrangements for monitoring and reviewing the effectiveness of the policy

5.3   Heads of Departments, Sector Development Directors and Managers are responsible for:

- Making sure that all staff are aware of the policy
- Making sure that risk assessments are carried out and reviewed regularly
- Putting procedures and safe systems of work into practice, which are designed to eliminate or reduce the risks associated with DSE
- Making sure that staff groups and individuals identified as being at risk are given the appropriate information, instruction and training
- Referring staff who express health related signs and symptoms which they believe may be attributed to/by working with DSE

5.4   Line Managers are responsible for:

- Ensuring new and existing users are made aware of the potential hazards and risks associated with the use of DSE
- Ensuring new and existing users access the online DSE awareness training and complete the DSE assessment
- Ensuring any remedial action required by the assessment(s) is performed in consultation with any user(s).
- Ensuring assessments are reviewed 2 yearly or sooner in the case of significant changes to factors associated with the use of DSE or the employee (e.g. pregnancy, change of office/equipment and/or an increase in DSE use).
- Ensuring users operating DSE and workstation installations in their areas of responsibility are suitably trained in the health and safety aspect of DSE use, as per Display Screen Equipment Regulations 2002. Additional information and training may be required in case of modification to the installation.
- Managers shall ensure that eyesight testing is available to users via the Corporate Eye Care Scheme. Should spectacles be required, **specifically for DSE use**, a voucher may be obtained to go towards this cost. Vouchers will be dispensed from the Health, Safety and Wellbeing Adviser on receipt

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of the Optician's report specifically indicating prescription lenses for DSE use only.

5.5   Health, Safety and Wellbeing Adviser:

- Carry out face to face DSE assessments where necessary
- Where necessary, follow up assessments to resolve problems
- Ensure the provision of any equipment recommendations
- Make a referral to the Occupational Health provider via Human Resources where more specialist assessment and support is required

5.6   All staff are responsible for:

- Taking reasonable care of themselves and other people who may be affected by their actions
- Co-operating by following rules and procedures designed for safe working
- Reporting all incidents that may affect the health and safety of themselves or others and asking for guidance as appropriate
- Taking part in training designed to meet the requirements of the policy
- Reporting any hazards they identify or any concerns they might have in respect of the use of display screen equipment

6. Procedures and Guidance

6.1   Workstation Assessment and Self-Assessment

6.1.1   The legal requirement is for the employer to carry out suitable and sufficient assessment and, where necessary, bring up to acceptable standards, all workstations where the individual is classified as a User.

6.1.2   Staff must in the first instance, complete the on-line safety training on Marshalls (contained in Health and Safety 2). They must then complete the self-assessment questionnaire (HS077) following all the guidance in the training module re workstation set up and how to sit comfortably.

6.1.3   Workstation self-assessment shall be carried out by all employees who use DSE, using the electronic form (HS077a) which can be found on PerthNet (DSE Assessment Form). The results of this assessment will then be reviewed where necessary by the Line Manager and/or the DSE Assessor, who will provide assistance to resolve any outstanding problems.

6.1.4   A more formal one-to-one assessment may be carried out by the DSE Assessor if required e.g. if the user or line manager has specific concerns about the individual or workstation. A referral to Occupational Health for a Workstation Assessment (WSA) will be made by the DSE Assessor if issues are of a health nature and cannot be resolved by the DSE Assessor alone.

6.1.5   It is the responsibility of the user to advise their line manager of any health and safety concerns or health issues they have that may be associated with the use of

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their DSE workstation, ie. any faults with their chair or any other components of their workstation.

6.1.6   The assessment shall be repeated/reviewed if major changes are made to equipment or furniture, if workstations are relocated, if the nature of the work changes or if the health of the user changes. Review of the assessment on a regular basis (2 years) may help to remind users of the importance of good practice in DSE work.

7.   Minimum Requirements for Workstations

7.1   The display screen should have well defined characters of adequate size, stable image, easily adjustable brightness and contrast. The screen should be easily tilting and swivelling with no reflective glare.

7.2   The keyboard should be able to tilt and be separate from the screen, have sufficient space in front of the keyboard, a matt surface, easy to use, adequate and contrasting symbols on keys.

7.3   The mouse (or other non-keyboard device) should be suitable for the task.

7.3   The work surface should be sufficiently large and low reflecting, and allow a flexible arrangement of equipment and adequate space.

7.4   The work chair should be stable allowing the user easy movement and comfortable position. It should have adjustable height (seat), adjustable height and tilt (seat back). Footrests should be available on request if required.

7.5   There should be space necessary to allow the user to change positions. The lighting should be satisfactory with appropriate contrast between screen and background, and prevention of glare through positioning of artificial lighting.

7.6   Positioning must prevent sources of light, such as windows, from causing distracting reflections on the screen.

7.7   Noise must not cause distraction of attention or disturbance of speech.

7.8   Heat must not be excessive and cause discomfort and an adequate level of humidity should be established and maintained.

7.9   The software systems must be suitable for the task, easy to use, and adaptable to the level of the user's knowledge. No quantitative or qualitative checking facility may be used without the user's knowledge.

8.   Breaks

8.1   Breaking up long spells of DSE work helps to prevent fatigue, eyestrain, upper limb problems and backache. Most employees within the College will have control over

Perth College

their own working arrangements and will be able to organise their work to take this into account.

8.2   The best way to break up work is to alternate sedentary work with more active tasks such as filing, photocopying etc. Where this is not possible, more formal breaks may be necessary. Frequent mini breaks (e.g. 1 minute every 15 – 30 minutes) are preferable to longer breaks every couple of hours.

9. Eyesight Testing

9.1   Perth College UHI has a Corporate Eye Care Scheme and employees are entitled to an eye and eyesight test. Where required, a voucher will be issued by the Health, Safety and Wellbeing Adviser.

9.2   The College will help pay towards a pair of basic spectacles of frames and lenses where these are required **solely and specifically** for DSE use. The College will not pay for glasses which are used for reading or driving as well as DSE work. The value of the voucher shall be £45.

10. Laptop Computers

10.1   Laptops must comply with the full regulations when they are used for continuous periods of more than one hour per day, on most days. Ideally the keyboard and screen should be separate, and there are several options to achieve this:

- Use with a docking station (preferred)
- Connect to a desktop computer
- Use with a separate monitor
- Use with a separate keyboard and mouse

10.2   All laptops and their accessories should be as light as possible. It is highly recommended that a rucksack type carrier is considered, if a laptop is to be carried frequently. Avoid branded laptop cases for security.

11. Additional Monitors/Screens

11.1   It is becoming more common place these days for a standard desk top computer to have attached to it a primary and a secondary monitor. If this is the case in your DSE set up then the secondary monitor should be in set in line with the primary one to enable ease of viewing and the same considerations ie. re glare and flicker etc. applied.

12. iPads, Tablet PCs, etc.

12.1   The use of these types of equipment is becoming increasingly more prevalent within the College. These appliances are designed for work of a short duration and should not be used in preference to a desk top computer set up.

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13. Home Working

13.1   Where employees are contracted or authorised to work from home, the full requirements of the DSE Regulations in terms of provision of equipment and suitable set up must be implemented. A DSE self-assessment must be carried out in the home setting, and exceptionally by a DSE Assessor during a home visit.

14. Pregnant Workers

14.1   Although scientific studies have not discovered any link amongst new and expectant mothers and DSE use, the layout and working arrangements should be routinely assessed over the pregnancy period. This can be carried out at the same time as the New and Expectant Mother Risk Assessment process. Special consideration should be given to achieving a comfortable seating position and an increase in the frequency and duration of rest breaks.

15. Monitoring

Perth College UHI will monitor and review this policy in partnership to ensure we are achieving the aims of the policy. We will do this with the Health and Safety Committee, Trades Unions, professional organisations and safety representatives.

Linked Policies/Related Documents
    Health and Safety Policy
    HSE publications: indg36 - Brief Guide Working with display screen equipment

Relevant Legislation
Health and Safety at Work etc Act 1974
Management of Health and Safety at Work Regulations 1999
Provision and Use of Work Equipment Regulations 1998
Display Screen Equipment (DSE) Regulations 1992 (as amended).
Health, Safety and Welfare Regulations 1992

Title: Display Screen Equipment
Version/Status: V1, Draft
Approved By/Date:
Effective Publication Date: TBC

Owner: Head of HR & Organisational Development
Lead Author: Health, Safety & Wellbeing Advisor
Review Timing/Date: TBC

7 of 7   **Perth College**

University of the Highlands and Islands

Committee	Partnership Council
Subject	Graduation Fee Costs for Care Experienced Students
Action requested	That graduation costs across the partnership are funded for students who are care experienced.
Brief summary of the paper	The paper will outline the various challenges faced by care experienced students and detail how providing support with graduation fees would ensure equivalence of experience.
Resource implications (If yes, please provide detail)	Yes, see table contained within paper
Risk implications (If yes, please provide detail)	No
Date paper prepared	01/03/2019
Date of committee meeting	01/05/2019
Author	Michaela Gilmore
Link with strategy Please highlight how the paper links to, or assists with: • compliance • partnership services • risk management • strategic plan/enabler • other activity (e.g. new opportunity) – please provide further information.	
Equality and diversity	No
Status (e.g. confidential)	No
Freedom of Information Can this paper be included in "open" business? *	Yes
Consultation How has consultation with partners been carried out? (Summary of response should be included in the paper)	Yes, discussed with cross-partnership Care Leavers and Student Carers Group

Introduction

This paper will outline the various challenges faced by care experienced students and detail how providing support with graduation fees would ensure equivalence of experience.

Care Experience and Corporate Parenting

The broad definition of a care leaver (as described by the Care Leavers Association) is "Any adult who spent time in care as a child (i.e. under the age of 18). Such care could be in foster care, residential care (mainly children's homes), or other arrangements outside the immediate or extended family. The care could have been provided directly by the state (mainly through local authority social services departments) or by the voluntary or private sector (e.g. Barnardos, The Children's Society, and many others)".

Care experienced students face a number of difficulties, including financial, which can impact on their time at university. The University of the Highlands and Islands is committed to ensuring these students are fully supported to enable them to successfully complete their course. This includes providing them with an equal opportunity to celebrate their success with their peers by attending the formal graduation ceremony.

The University of the Highlands and Islands is identified as a corporate parent under Part 9 of the [Children and Young People (Scotland) Act 2014](). The definition of corporate parenting is;

"An organisation's performance of actions necessary to uphold the rights and safeguard the wellbeing of a looked after child or care leaver, and through which physical, emotional, spiritual, social and educational development is promoted."

The whole organisation, and every member of staff, is responsible for fulfilling corporate parenting duties.

Barriers to Graduation

We are proposing initially that financial support for graduation costs is provided for our care experienced students, regardless of which academic partner they are enrolled with.

These students often experience severe financial difficulties during their studies and they are unable to rely on additional support from their family. This can impact greatly on their ability to become fully immersed in student life, including having the opportunity to conclude their journey by attending the formal graduation ceremony. These costs that would normally be covered by a student's immediate family for instance, may be insurmountable for a student who is alone and without such support.

As an example of the total number of students enrolled with the university who had declared themselves as care experienced, in the 2017/18 academic year this figure was 638. Of those, 122 were HE and 516 FE. It is worth noting however that for these students, the number who actually achieve 'normal completion' and graduate with their peers is considerably lower. For HE this was 59 and for FE 110.

The issue of funding as a barrier to graduation for care experienced students has been discussed across the sector, with several Scottish universities considering providing future assistance with this as part of their corporate parenting duties. It is also something which is being championed by Who Cares? Scotland as part of their work advocating for care experienced young people and supporting Corporate Parents.

Recent research has shown the approximate cost/s of the graduation ceremonies across the partnership to be as detailed in the table below;

Partner	Cost	What that includes	Additional guests	Robe hire	Notes
Perth College UHI	£30	Student plus two guest including reception	£10	£25/£30	
Scottish Association for Marine Science UHI	£30	Student plus two guest including afternoon tea, drinks reception and evening ceilidh	£15	£38	
Moray College UHI	£0	Student attendance including reception. All guest tickets are £5 including the reception.	£5	£22	
Sabhal Mòr Ostaig UHI	£22	Student to part-cover the cost of a sumptuous two course buffet with wine, a cèilidh dance with a band, the graduation programmes and other graduation expenses.	£22	£29	Guest ticket price includes buffet etc as well
Shetland College UHI	£0	Student plus guests	NA	£30 for SQA awards, £40 for other awards	
North Highland College UHI	£0	Student, including drinks reception and buffet. Glass of fizz is free and additional drinks they pay at the bar	NA	£25	
Lews Castle College UHI	£0	Student plus guests, including food and drink at a reception	NA	£35	Robe charge includes cost of two guest tickets and buffet
Orkney College UHI	£8	Student plus guests. Reception is optional £12 per ticket	NA	NA	Students purchase robes direct from Ede and Ravenscroft
Inverness College UHI	£0	Student plus two guests. Reception is optional £9.50 per ticket	Option to go into ballot for remaining seats	£25 for all SQA awards, £30 for undergraduate certificate, diploma and degree, £30 for postgraduate certificate, diploma and degree, £35 for PhD	
Argyll College UHI	£0	Student and two guests free.	£5	£30	Robe cost approximate

Highland Theological College UHI	£0	Student plus guests, including food and drink at a reception	NA	£32	
West Highland College UHI	£0	Student plus two guests. Free coffee/tea baking before and then fizz and nibbles afterwards.	£5	£32.50	Proposed charge for extra guests provisional. Students hire robes direct from Ede & Ravenscroft

Whilst some partners may not charge to attend the ceremony there are still fees for additional guests plus, for most, the cost of hiring robes.

Recommendation

We propose that care experienced students would be provided with appropriate funding which would cover any costs at their academic partner.

Rather than a set bursary amount, the sum would be decided at a local level due to the variances outlined in the above table. By providing the funding in this way it would allow the students to pay directly for the external costs such as gown hire, as well as any associated travel and/or accommodation which may be required.

As an example of this at other UK institutions, [Glasgow Caledonian University](#) introduced an additional bursary in 2018 to help with graduation costs including fees and gown hire. [University of Plymouth](#) offer a graduation package which provides financial support with robes, graduation tickets, travel, and accommodation.

Providing this additional support and ensuring that all care experienced students have the same opportunity as their peers to attend graduation will also help to fulfil the corporate parenting duties of the university and its academic partners. Moreover, it will have a significant impact for care experienced students and allow them to fully celebrate the success they have achieved during their time with us.

Although government funding for care leavers is limited to the age of 26 and under, we acknowledge that the support we provide should not be bound by age, and the proposed bursaries for graduation costs should therefore be offered to all care experienced students irrespective of this.

All Committees meet four times a year except Academic Affairs which meets 3 times a year
Meetings fixed between holiday blocks

Block 1: Between August – October 2019 [Autumn Recess Monday 14 – Friday 18 October 2019]

BOARD 5.30pm Wednesday		Engagement 5.30pm Thursday	Audit 5.30pm Tuesday	Chairs & Remun 5.30pm Mon/Wed	Ac Affairs 2.30pm Wednesday	F&GP 5.30pm Wednesday	Dev Days 9am Saturday	AST 5.30pm Tuesday
Chair: BC Minutes: SMT: All		SH MC, LC, VL, CE, SH	JC MC, LC, VL, AS (SH by invitation when necessary)	BC MC	MC MC, LC, VL, CE (SH by invitation when necessary)	DL MC, LC, VL AS, SH	BC All SMT	CS MC, VL, AS
		29 August 2019					27 September	
				Wed 4 Sept 2019				
								10 Sept 2019
			17 Sept 2019					
					No meeting first block			
							25 Sept 2019	
9 Oct 19								

Partnership Council		
FERB		

Block 2: Between October and December 2019 [Christmas/New Year Recess Monday 23 December 2019 – Friday 3 January 2020]

BOARD 5.30pm Wednesday		Engagement 5.30pm Thursday	Audit 5.30pm Tuesday	Chairs & Remun 5.30pm Mon/Wed	Ac Affairs 2.30pm Wednesday	F&GP 5.30pm Wednesday	Dev Days 9am Saturday	AST 5.30pm Tuesday
Chair: BC Minutes: SMT: All		SH MC, LC, VL, CE, SH	JC MC, LC, VL, AS (SH by invitation when necessary)	BC MC	MC MC, LC, VL, CE (SH by invitation when necessary)	DL MC, LC, VL AS, SH	BC All SMT	CS MC, VL, AS
23 Oct 2019 (CPD) OPTIONAL								
		7 Nov 2019						
								12 Nov 2019
				Mon 18 Nov 2019				
					20 Nov 2019			
			Joint (5.30-7.30pm) 27 Nov 2019 (Wed)			Joint (4.30-7.30pm) 27 Nov 2019 (Wed)		
11 Dec 2019								

Partnership Council		
FERB		

Block 3: Between January and March 2020 [Easter Recess Monday 30 March 2020 – Friday 10 April 2020]

BOARD 5.30pm Wednesday		Engagement 5.30pm Thursday	Audit 5.30pm Tuesday	Chairs & Remun 5.30pm Mon/Wed	Ac Affairs 2.30pm Wednesday	F&GP 5.30pm Wednesday	Dev Days 9am Saturday	AST 5.30pm Tuesday
Chair: BC Minutes: SMT: All		SH

MC, LC, VL, CE, SH | JC

MC, LC, VL, AS
(SH by invitation when necessary) | BC

MC | MC

MC, LC, VL, CE
(SH by invitation when necessary) | DL

MC, LC, VL AS, SH | BC

All SMT | CS

MC, VL, AS |
		30 Jan 2020						
								4 Feb 2020
				Mon 10 Feb 2020				
					19 Feb 2020			
			25 Feb 2020					
						4 Mar 2020		
18 Mar 20								

Partnership Council		
FERB		

Block 4: After Easter and before summer 2020 [Summer recess starts Friday 26 June 2020]

BOARD 5.30pm Wednesday	Engagement 5.30pm Thursday	Audit 5.30pm Tuesday	Chairs & Remun 5.30pm Mon/Wed	Ac Affairs 2.30pm Wednesday	F&GP 5.30pm Wednesday	Dev Days 9am Saturday	AST 5.30pm Tuesday
Chair: BC Minutes: SMT: All	SH

MC, LC, VL, CE, SH | JC

MC, LC, VL, AS
(SH by invitation when necessary) | BC

MC | MC

MC, LC, VL, CE
(SH by invitation when necessary) | DL

MC, LC, VL AS, SH | BC

All SMT | CS

MC, VL, AS |
			Wed 29 Apr 2020				
				6 May 2020			
	7 May 2020						
							12 May 2020
13 May 2020							
		19 May 2020					
					27 May 2020		
10 June 20							

Partnership Council		
FERB		

4

Engagement Committee
DRAFT Minutes

Meeting reference:	Engagement 2018-19/04
Date and time:	Thursday 2 May 2019 at 5.30pm
Location:	Room 19, Brahan

Present:	David Littlejohn Non-Executive Board Member
Sharon Hammell (Chair) Non-Executive Board Member	Lynn Oswald Non-Executive Board Member
Margaret Cook Principal and Chief Executive	**In Attendance:**
John Dare Support Staff Board Member	Lorenz Cairns Depute Principal (Academic)
Prince Honeysett President HISA Perth	Catherine Etri Associate Principal (Academic)
Debbie Hutchison Non-Executive Board Member	Veronica Lynch Vice Principal (External)
Ann Irvine Non-Executive Board Member (by teleconference)	Penny Davis Interim Board Secretary

Quorum: 3 Members

Minutes

Item		Action
1	**Welcome and Apologies**	
	There were no apologies.	
	The Chair welcomed Iain Morrison (Dean of Students, UHI), Alan Simpson (HISA President) and William Mohieddeen (Senior Student Association Co-ordinator) who had been invited to give a presentation to the Committee on Student Engagement.	
2	**Additions to the Agenda**	
	There were no additions to the agenda.	
3	**Declaration of Conflict of Interest in any Agenda Item**	
	There were no declarations of a conflict of interest.	

4   Minutes of Meeting Held on 31 January 2019

The minutes were approved as an accurate record.

5   Actions Arising from Previous Minutes

There were no actions arising.

6   Student Engagement
**6.1   Presentation on the Future of HISA and Student Engagement
            Priorities**

The UHI Dean of Students gave an introduction, highlighting the role
of HISA and student engagement, the significant progress to date
and areas for future development. Relationship-building was
identified as an ongoing focus.

The HISA President outlined a regional structure comprising 21
student officers and 16 staff and highlighted positive outcomes
including:

- over 70 clubs with 100s of volunteers
- engagement in local communities
- mentoring of student officers
- the increasing number of women standing for office and
  being elected
- working with external bodies to influence national policy

He described an organisation that is student-directed, in which
students make decisions through the class rep system and hold
HISA officers to account.

The Senior Student Association Co-ordinator outlined the structure
and history of HISA Perth and highlighted successes including the
increased number of nominations for student offices and the highest
election turnout to date.

HISA Perth was working closely with the College's Quality
Department and pursuing a wide range of activities. The focus in
future would be on ensuring sustainability of services to meet
student expectations and the increased importance of welfare.

The Committee discussed the presentation.

Assurance was given on the adequacy of handover, induction and
mentoring arrangements for student officers, both regionally through
HISA, and through NUS and SPARQS at a national level. It was
also noted that staff provided continuity and support.

The Committee recognised the benefits of a symbiotic relationship
between the regional structure and HISA Perth but would be keen to

have clearer evidence of the reach into the student body, diversity and the impact of HISA.

It was noted, in that context, that the results of the student survey would be published on 3 July 2019 and would be reviewed at the next meeting of the Committee.

<div style="text-align: right">HISA
Perth/SMT</div>

Members agreed that a review of the Student Engagement Framework and further discussion of opportunities with HISA at a future meeting would also be beneficial.

<div style="text-align: right">HISA/HISA
Perth/SMT</div>

The comparatively low number of societies at Perth College was discussed, although it was noted that this had increased to 9, from 5 last year. The Committee was advised that planning was in train and a new member of staff had been taken on to support development in that area. It was also noted that club and society engagement tended to reduce over the course of the academic year. The Committee suggested HISA Perth might look elsewhere in the region for examples of good practice.

6.2   HISA Perth College Update including Student Elections

The Student President presented a report providing further information on HISA Perth activities and the recent elections.

Students had voted to take action towards resolving current strike action through a 'fund our future' campaign to lobby Ministers.

Members suggested that HISA Perth might benefit from advice and support when engaging in political lobbying activity, being mindful of external agendas and potential reputational risks to the College.

The Committee received reassurance that any students experiencing issues relating to universal credit were referred to Student Support and that information on the impact on students was being monitored through College systems.

The Senior Student Association Co-ordinator reaffirmed the positive results in terms of engagement in student elections, including the appointment of 3 female officers for the coming year.

6.3   Enhanced Student Engagement: Implementation Plan and Report

The Student President presented an implementation plan, summarising progress with the Lit Activity Fund, course representation review, work to increase engagement in clubs and societies, and the OBI awards and elections.

Members discussed the plan, and suggested targeting the Lit AF funding to support current priorities, and improving guidance and support for prospective applicants.

In the context of increasing engagement in clubs and societies, it was noted that external resources such as the community sports hub and voluntary organisations could also be helpful.

Members were advised that the Student Partnership Agreement would be brought to the next meeting of the Committee.

HISA
Perth

The Student President was commended on the quality of his report to the Committee.

6.4   Student Mental Health Agreement

The Student President provided a verbal report on the Agreement, which had been signed in March 2019. Priorities had been to tackle stigma, improve well-being, increase clubs and societies, and increase events in collaboration with the College. A written report would be brought to a future meeting of the Committee.

HISA
Perth

7   Performance Monitoring
7.1   Revised Balanced Scorecard

The Principal reported that the planning team had been asked to look at options for revising the College's Balanced Scorecard and had produced a comprehensive report which had been provided to the Committee.

This was the first stage of the review and the Committee would be asked to consider, going forward, how the approach taken to performance monitoring would impact on the student experience.

8   External Engagement
8.1   External Engagement Update

The Vice Principal (External) presented a paper updating the Committee on external engagement activity, including Marketing, International, Business Engagement, the Academy for Sport and Well-being, Stakeholder Engagement and Brexit implications.

Highlights included:

- positive press coverage of a successful test flight for a new ultra-endurance air vehicle
- the generation of £146k worth of applications from the Flexible Workforce Development Fund
- the Academy for Sport and Well-being hosting the CDN College Expo event in June 2019.

The Vice Principal confirmed that progress was being made in engagement with independent schools.

The Committee recognised the good work being done to strengthen

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external engagement.

9   Staff Engagement

9.1   HR and OD Update

The Depute Principal presented the report in the absence of the Interim HR Team Lead, outlining progress including:

- arrangements for the Staff Conference to be held on 21 June 2019
- national bargaining and support staff evaluation
- consultation on learning centre closures.

The Support Staff Board Member commented that the conference programme had been well received.

The Committee went on to review sickness absence statistics for Qs 1 and 2 of 2018-19, and received an update on progress with Equality, Diversity and Inclusion activity, including the development of a menopause policy and the extension of current provisions to tackle period poverty.

10   Board Development

10.1   Board Development Update

The Principal provided a verbal update, advising the Committee on Board Member attendance at the CDN Leadership and Governance Summit earlier that day, and constructive discussions about 'the college of the future'.

15 June 2019 had been identified as the date of the Board Development Day, and the Principal invited suggestions for the programme.

One member suggested a session on Mental Health First Aid.

11   Committee Minutes

The Committee had received minutes from the first meetings of three engagement groups, for information:

- EDIT (Equality, Diversity and Inclusion Team)
- Staff Engagement
- Student Engagement

The Committee noted the good progress with establishing the groups and the range of activities already underway.

It was noted also that SMT attendance at college team meetings would promote engagement as well as openness and transparency.

12   Date and Time of Next Meeting

The meeting schedule for 2019-20 would be brought to the June Board meeting.

15   Review of Meeting (to include check against ToR)

Members agreed the meeting had covered its Terms of Reference.

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 General Data Protection Act 2018. 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 1998?

Yes ☐   No ⊠

Academic Affairs Committee

Minutes

Meeting reference:	Session 2018/19, Meeting 3 of 3
Date and time:	Wednesday 8 May 2019 at 2.30pm
Location:	Room 19, Brahan

Present:

Andrew Comrie, Board of Management	Catherine Etri, Associate Principal (Academic)
Sheena Devlin, Board of Management	Deborah Lally, Head of Student Experience
Prince Honeysett, President HISA Perth	David Gourley, Head of Learning and Teaching Enhancement
Lorenz Cairns, Depute Principal (Academic)	Veronica Lynch, Vice Principal (External)
Rob Boyd, Teaching Staff Member on the Committee	Martin Price, Chair of Research, Scholarship and Knowledge Exchange Committee
	Penny Davis, Interim Board Secretary

Minute Taker:	Penny Davis
Quorum:	3, including the Chair or Vice-Chair

Minutes

Action

1 Welcome and Apologies

In the absence of the Principal, the Depute Principal welcomed members and those in attendance, noting that this was Sheena Devlin's first attendance at a meeting of the Committee.

Apologies had been received from Margaret Cook, Harold Gillespie and Declan Gaughan.

2 Additions to the Agenda

There were no additions to the agenda.

3 Declaration of Conflict of Interest in any Agenda Item

There were no declarations of a conflict of interest.

4 Minutes of Meeting held on 12 February 2019

The minutes were approved as an accurate record.

5   **Actions Arising from Previous Minutes**

Members were provided with the following updates on actions from the last meeting:

- The Student Induction and Early Experience Survey had been deferred to the next meeting of the Committee.   HISA Perth

- A Workforce Planning report would come to the next meeting of the Committee.   Head of HR/OD

- Staff would check that the necessary corrections had been made to the Academic Appeals Policy and would confirm to the next meeting of the Committee.   Depute Principal

All other actions from the previous meeting were addressed on the agenda.

6   **Service Head Presentation**
6.1   **Student Engagement**

The Head of Student Experience delivered a presentation on the work of the Student Experience directorate during the past nine months and priorities going forward.

The presentation covered activity undertaken by: Student Services, Student Records; Quality; Curriculum Administration; Learning Centres; and Residences.

Recent/current activity included:

- a student services one-stop-shop being in place from September 2018
- the evaluative report and enhancement plan
- publication of FE KPIs, which was a statutory requirement
- CPP – ESOL in the community
- a paperless admissions project, in partnership with UHI
- renewal of the SYHA contract for student residences
- the establishment of a Student Engagement Group
- consultation on learning centre closures
- other reviews and Scottish Government initiatives

The Committee was advised that the College had received the highest grading for its ESOL provision from Cambridge assessors.

In response to a question about alignment with the Student Engagement Framework, the Head of Student Experience advised the Committee that Perth College was positively engaged with SPARQS and that the Framework was part of the remit of the new Student Engagement Group.

Provision in remote and rural areas was discussed and it was agreed that a report would be brought to a future meeting of the Committee to review arrangements in the light of the closure of learning centres.

<div style="text-align: right">

Head of Student Experience

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Four members of staff were now qualified Scottish Mental Health Instructors, and the possibility of extending training to students was discussed. It was agreed that this should be taken forward with HISA.

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Head of Student Experience /HISA Perth

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The Committee was advised by senior staff and the Student President that good feedback had been received from students on the accessibility and effectiveness of student support mechanisms.

7 Student Experience
7.1 HISA Perth College Update including Student Elections

The Student President presented a report on HISA Perth activities including the Association's work with the College Quality Department to improve engagement and representation, the OBI awards, the SRC decision to launch a 'fund our future' campaign towards ending the lecturers' strike, and the visit of a local MP.

There had been improved Perth College engagement in nominations and voting at the recent HISA elections and the following had been elected to HISA Perth offices for 2019-20:

- President: Amy Studders
- Vice President (Activity & Welfare): Debbie Das Chaudhury
- Vice President (Education & Engagement): Michaela Asisten

7.2 Student Destinations 2017-18

The Head of Student Experience presented a report on FE student destinations noting that HE destination data, which was processed through UHI, was not yet available.

The proportion of known destinations was 88%, out of a total of 821 qualifiers. 84% of those contacted had entered a positive destination, which represented an increase of 0.7% on the previous year.

Statistics, generally, were consistent with previous years and with the available sector data. (2017-18 sector data would be available around September 2019.)

It was reported that the majority of positive destinations related to internal progression.

One Member suggested that it might be helpful for the Committee to see a more detailed report on student destinations in the context of ensuring effective funding and marketing strategies.

7.3   Subject Reviews 2018-19

The Head of Student Experience provided a verbal report, advising the Committee that the College had received positive results in the 2018-19 reviews: eight commendations and four recommendations for further development.

A link to the full report would be shared with Members on request.

7.4   Perth College UHI: Student Services Annual Report 2016-17

The Head of Student Experience introduced an annual report covering activity in all areas of Student Services.

The Committee was advised that teams were being encouraged to look more at the impact of statistics and changes, and that this shift in focus would be reflected in future reports.

Safeguarding had been included in the report at the Committee's request.

In response to a question about a reduction in the number of PLSPs (Personal Learning Support Plans), the Head of Student Experience explained that, rather than a reduction in support, this reflected improved staff training and changes in the way that students were supported as a result of the Access and Inclusion Strategy, which had widened access to support.

The Committee was advised that a review of services had identified a significant administrative element in service provision, and that the timing of the report at this point in the year allowed for data to be fed into the departmental planning cycle.

With reference to the admissions statistics provided, the Committee sought assurance that the time between application and interview was not impacting on enrolment. Members were advised that this was kept under review and applicants should not have to wait long for interview, however, the head of Student Experience would confirm the position at the next meeting of the Committee.

Head of Student Experience

The relatively high number of needs assessments carried out at Perth College was explained to be as a result of the College being a needs assessment centre, undertaking a greater proportion of this activity than other colleges.

Staff training was discussed, and the need to ensure that Personal Academic Tutors were adequately trained to support students with mental health needs.

7.5   Student Funding Update

This item was deferred to later in the meeting, and reviewed alongside item 9.2, Student Numbers.

8   Strategic Planning

8.1   Regional Outcome Agreement

The Vice Principal (External) introduced a final draft of the Regional Outcome Agreement, which took account of feedback from Academic Partners and the SFC. The final version would be submitted to the SFC at the end of May.

Comments or questions were invited from the Committee.

The Committee discussed the fact that the lack of disaggregated targets specific to Perth College (besides credit targets, which were apportioned) made it difficult for the agreement to function as a strategic plan at college level. The College's contribution to overall outcomes would need to be clear in order for the College to plan and assess its performance effectively in the regional context.

9   Curriculum
9.1   Curriculum Review/Planning Update

The Depute Principal informed the Committee that curriculum review planning would commence in August.

9.2   Student Numbers (2017-18 and 2018-19)

The Head of Student Experience provided an overview of Bursary, EMA, FE/HE Hardship and Childcare funding for Members' information.

The Committee was advised that Perth College had slightly exceeded its core target, however, while staff were working hard to improve the situation, the College currently expected to meet only 25% of its ESF target.

The Committee was informed that ESF funding across the region was dependent on the achievement of the overall regional target. Perth and one other Academic Partner were expected not to meet their ESF target, resulting in a risk of clawback of ESF funds by the SFC.

The Committee discussed reasons for the shortfall, including the increased number of pupils staying on at school and the changing economic environment.

Medium to long term solutions were discussed, including:

- CPD

- upskilling and reskilling opportunities
- expanding provision, including leisure provision, to meet demand for part-time and evening courses
- aligning programmes to meet funding criteria
- exploring niche areas
- becoming more responsive to the changing environment.

The Head of Student Experience confirmed that engagement structures were in place, including CPPs, to take forward discussions with Councils, SDS and other relevant bodies.

10   Engagement
10.1   Tay Cities Deal Update

The Vice Principal (External) provided a verbal report to the Committee, advising Members that an outline business case for an £8.1m project was under development.

The initial business case had been submitted to the programme management office of the City Deal, and early indications had been positive.

The business case, which included the generation of 320 additional aircraft-related places, would be presented to the Board in June.

11   Performance Monitoring
11.1/   Balanced Scorecard 2018-19/Balanced Scorecard Review
11.2

The Depute Principal introduced a report on the current review of the College's performance management reporting system, outlining the approach that would be taken to developing a new Balanced Scorecard.

Members noted the report and discussed the strategic planning context including the optimum time period for a strategic plan.

11.3   Red Button Report

The Depute Principal introduced the Red Button Report for Q1-3 2018-19, for information. The report showed a representative sample of student concerns raised and how these were being resolved.

It was noted that Red Button activity feeds into the College's formal complaints and investigation reporting systems.

12   Policies and Procedures
12.1   Safeguarding Policy

Further to the Board's decision not to approve the policy at its last meeting, the Committee was provided with a policy context paper

and safeguarding summary, together with the revised Safeguarding Policy.

It was noted, with reference to the Committee's terms of reference, that the Committee had authority to approve the policy.

Members discussed the policy and supporting documents and concluded that there remained areas where the policy was not sufficiently clear. In particular, Members felt that staff responsibilities should be better delineated in section 7 of the policy, and that a list of linked policies should be provided.

It was agreed that the committee would consider and, if appropriate, approve further revisions by e-mail correspondence outwith the meeting. The decision could then be confirmed at the next meeting of the Committee.

Head of Student Experience /Secretary

13   Scholarship and Research
13.1   Scholarship and Research Strategy 2017-2020

The Chair of the Scholarship and Research Committee presented the strategy document for the Committee's approval, drawing Members' attention to the emphasis on scholarship in the revised strategy.

Members discussed the strategy and how the College could encourage staff and foster a dynamic research and scholarship environment, noting that the Research Excellence Framework required staff to be 0.2FTE dedicated to research, and recognising the challenges of fulfilling teaching requirements.

There were currently six Perth College staff engaged in relevant research, for the period leading up to early 2021, when arrangements would be reviewed.

The Committee approved the revised Scholarship and Research Strategy.

13.2   Meeting of Scholarship and Research Committee 17 April 2019

The Committee noted the minutes of the last meeting of the Scholarship and Research Committee.

14   Remit and Role of Committee

The Committee confirmed that the business of the meeting had reflected its terms of reference.

Members recognised the scale of the work involved in preparing the reports provided to the Committee and asked that their thanks be recorded in the minutes and communicated to staff.

15   Date and time of next meeting

A schedule of meeting dates for 2019-20 would be brought to the
June meeting of the Board.

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 General Data Protection Act 2018. 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 1998?
Yes ☐   No ☒

Audit Committee

Minutes

Meeting reference: Audit 2018-19/04
Date and time: Tuesday 14 May 2019 at 5.30pm
Location: Room 019

Members present: Jim Crooks, Andrew Comrie, Anna Zvarikova, Lynn Oswald

In attendance: Lorenz Cairns, Depute Principal (Academic)
Veronica Lynch, Vice Principal (External)
Andrea Saunders (Finance)
Richard Ogston (Student Services)
Stephen Reid, Ernst & Young
Grace Scanlin, Ernst &Young
David Archibald, Henderson Loggie
Penny Davis, Interim Board Secretary

Chair: Jim Crooks
Quorum: 3

Summary of Action Items			
Ref		Responsibility	Time Line
5	**Actions Arising from Meeting on 19 February 2019** **Health and Safety Committee - Terms of Reference** Confirm introduction of template for common reporting. **Minutes from meeting on 7 February 2019** Confirm staff who use their own vehicles for College business have been reminded about terms of business insurance.	Depute Principal Depute Principal	Next Audit Committee meeting Next Audit Committee meeting
6	**Safeguarding** Provide schematic to show safeguarding management processes.	Head of Student Services	Next Audit Committee meeting
7	**Balanced Score Card** Pass Committee feedback to Principal	Depute Principal	May/June 2019

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8 / 9.4	**Risk Management / Internal Audit Follow-up Reviews**		
	Appraise Board of Committee's view on compliance risk arising from Equality and Diversity lead vacancy.	Committee Chair	June Board Meeting
	Assess status and urgency of above risk.	Depute Principal	June Board Meeting
10	**Deferred Income Matter**		
	Report on outcome of investigation.	Head of Finance	Next Audit Committee Meeting
15/ 16	**Evaluation of Internal Audit Service/ Evaluation of External Audit Service**		
	Provide Audit Chair with editable evaluation forms.	Secretary	Post meeting
	Circulate draft evaluation responses to Committee Members for comment and agreement.	Committee Chair	May/June

Item		**Action**

1   Welcome and apologies

The Chair introduced those present to the meeting.

There were no apologies. It was noted the Principal was on annual leave and would not be in attendance.

2   Additions to the Agenda

There were no additions to the agenda.

3   Declaration of Interest in any Agenda Item

There were no declarations of a conflict of interest.

4   Minutes of the Meetings of the Audit Committee held on 19 February 2019

The minutes were approved.

5   Actions arising from the meeting on 19 February 2019

   6. Balanced Score Card

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Action: Revise balanced score card.

Action Update: on meeting agenda.

8. Risk Management

Action: Review scoring of risks 10, 17, 23.

Action Update: on meeting agenda.

10. Safeguarding

Action: Invite the Student Services Manager to a future meeting of the Audit Committee to provide an update on the impact of recent legislation

Action Update: on meeting agenda.

12. Committee Minutes

Action: Health and Safety Committee Terms of Reference - Review quorum and introduce a template for common reporting for areas represented on the Committee

Action Update: In progress – confirmation to be brought to next Audit Committee meeting.

Depute
Principal

Action: Minutes from meeting on 7 February 2019 - remind staff who use their own vehicles for College business of business insurance terms.

Action Update: Confirmation to be brought to next Audit Committee meeting.

Depute
Principal

6.   **Safeguarding Presentation**

The Student Services Manager gave a presentation, summarising recent changes to extend and strengthen safeguarding arrangements including the identification of priority groups, improvements in monitoring and recording, and increased legal duties such as those arising from Prevent and gender-based violence legislation. Considering those changes alongside the impact of the widening access agenda and other external factors, the student population was increasingly diverse with a growing range of risk-affected individuals.

The Scottish Government was seeking to streamline provision.

A UHI safeguarding policy was under development, which would identify a named safeguarder at each Academic Partner.

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Members noted the challenges presented by an increasingly complex safeguarding landscape, including the potential conflict between enhanced data retention requirements and the recent changes in data protection legislation.

The Committee discussed the challenges to the College including resourcing. The Student Services Manager assured the Committee that college staff were well placed to address evolving safeguarding needs, having a wealth of experience and effective structures in place.

The Vice Principal (External) confirmed that the Senior Management Team retained oversight of safeguarding requirements and resourcing.

It was confirmed that the Academic Affairs Committee received regular monitoring reports on safeguarding. The Committee noted that its role was, through a risk-oriented approach, to ensure adequate structures and processes were in place.

It was agreed that a schematic to show processes for managing safeguarding issues would be beneficial in providing assurance to the Committee.

Head of Student Services

7   Balanced Score Card

The Depute Principal outlined a review of the College's balanced score card, which included a review of the issues, stakeholder feedback, alignment with UHI strategy and examples of best practice from elsewhere in the sector.

Members discussed the content of the scorecard and sustainability, noting that measures tended to refer to external reporting requirements and should also reflect true drivers for students and staff.

The challenges of producing an effective performance monitoring tool were discussed, including:

- the optimum time-frame for setting targets;
- the relative timescales for the scorecard and the College's/UHI's strategic planning cycle;
- the limitations imposed by the Funding Council's planning cycle.

It was agreed that it would be helpful to be clear about the distinction between the current balanced score card and the strategic plan post 2021.

The Committee discussed two potential designs that had been provided for comment, noting that Education Scotland had recommended improvements in data presentation.

Members were generally supportive of the RAG approach, but felt that there should be scope to consider risk appetite and tolerance within

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any such report, so that a red indicator was not necessarily a negative indicator but highlighted an area of accepted risk and/or opportunity.

Members preferred the first model overall, but appreciated the baseline data and clarity of the second model. Some minor criticisms were made of the use of question marks, and it was requested that arrows be included to show the direction of change.

The Depute Principal agreed to provide feedback to the Principal.

Depute Principal

8 Risk Management
8.1 Strategic Risk Register

The Depute Principal presented the College's strategic risk register, highlighting three risks.

Risk 10 Academic Quality is Sub Standard

A range of mitigating actions had been undertaken, notably a redesign of the self-evaluation process and work with HISA to improve student engagement and experience. As a result, the residual risk had been reduced to a rating of 3 (green).

Risk 17 Non-compliance with Statutory Health & Safety Legislation and Equality Legislation

The gross risk had increased to 8 (amber) but the residual risk rating was 4 (green) as a result of the Annual Review of the Health & Safety Management System and work that was underway to embed good health and safety practice throughout the organisation.

The Committee noted that an Equality and Diversity lead had still to be appointed, which was a compliance concern, and agreed that it would make the Board aware of this position at its June meeting.

Committee Chair

Risk 23 Poor Student Experience

The Depute Principal announced that since the risk report had been prepared, investment was being made to address estate maintenance requirements, which would result in an improvement on the current residual risk rating of 6 (amber).

9 Internal Audit Plan
9.1 Internal Audit Progress Report 2018/19 Annual Plan

The Internal Auditor presented the report, drawing Members' attention to:

- the deferral of the audit of Procurement and Creditors/Purchasing to 2019-20 and the consequent transfer of four days' work to the audit

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of HR and Payroll Systems;

- the deferral to May 2019 of fieldwork on the audit of Key Financial Controls – AST Ltd, as a result of which the report would be presented to the Committee's September meeting.

The Committee was content with changes to the plan.

9.2 HR and Payroll Systems

The Internal Auditor advised that the further to the reallocation of days from Procurement and Creditors/Purchasing, additional fieldwork was being scheduled to allow a deep dive into specific control issues. The report would be presented to the September 2019 Committee meeting.

9.3 International Activity – Products, Partnerships and Student Recruitment

The Internal Auditor presented a report that found College International Activity – Products, Partnerships and Student Recruitment to be satisfactory.

Seven strengths were identified in the report including a clear market strategy and a good level of support for overseas students.

Two weaknesses that were identified related to the allocation of staff costs in financial reporting to show involvement in international activity and the need for a formalised strategy for international development. It was noted that a strategy was being developed by the Vice Principal (External) and a draft was due to be presented to the Board's autumn meeting.

The Committee discussed issues including the impact of Brexit and the need for proactive recruitment from the EU, and received assurances that satisfactory performance monitoring arrangements were in place including the monitoring of overseas student debt.

9.4 Follow-up Reviews

The Internal Auditor reported progress in relation to follow-up reviews of recommendations on IT Network Arrangements, Follow-up Reviews 2017-18, and Equalities Mainstreaming.

Fifteen out of a total of nineteen recommendations had still to be fully implemented. The Committee noted that the majority of outstanding recommendations related to Equalities Mainstreaming and were dependent on the appointment of an Equality and Diversity lead.

With reference to the earlier discussion of Risk 17, the Committee reaffirmed the need for the Board to be appraised of the compliance risk arising from the current vacancy.

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It was agreed that the College Executive should look into compliance in this area and assess the urgency prior to the Board meeting.	Depute Principal

10   Deferred Income Matter

The Head of Finance reported that the College had been asked by the External Auditor to undertake a piece of investigative work, which was almost complete. A report would be brought to the next meeting of the Committee. It was noted that the matter was also being monitored by the Chairs' Committee.	Head of Finance

11   External Audit
11.1   Annual Audit Plan

The External Auditor presented the plan, setting out the proposed audit approach for the year ending 31 July 2019.

He outlined the two aspects of the plan, ie, the Financial Statement audit and the wider scope audit, advising Members that the College had been assessed as a smaller body for the purposes of the latter.

The Committee was advised that the Scottish Funding Council had issued good practice guidance on governance statements.

The Committee Chair pointed out some minor inconsistencies in the use of the term "colleges" or "universities" in the plan.

The Committee noted the plan.

The Internal and External Auditors left the meeting at this point.

12   Committee Minutes

Health and Safety Committee – Minutes May 2019

The Depute Principal advised the Committee that a communication had been sent to all Health and Safety Committee members about attendance at meetings.

The Vice Principal (External) confirmed the establishment of more effective engagement structures and the accessibility of minutes by all parties.

One Member offered to share a reporting template used in his organisation, based on the RIDDOR system.

13   Date and time of next meeting

The 2019-20 meetings schedule would be brought to the Board on 12 June 2019.

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14   Review of Meeting

Members agreed the meeting had covered its Terms of Reference.

PART TWO

15	**Evaluation of Internal Audit Service**	
16	**Evaluation of External Audit Service**	
	The Chair agreed to draft evaluation responses based on the Committee's work and engagement with the Internal Auditor and the External Auditor over the course of the year and share these with Members for comment and agreement by correspondence.	Committee Chair
	An editable copy of the evaluation form would be provided to the Chair for that purpose.	Secretary

Information recorded in College minutes and papers is 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.

Status of Papers   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 and papers about living individuals, under the terms of the General Data Protection Act 2018.

Do the papers contain items which may be contentious under the terms of the General Data Protection Act 2018?   **Yes** ☐   **No** ☑

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Finance and General Purposes Committee

DRAFT Minutes

Meeting reference: FGP2018-19/04
Date and time: Wednesday 22 May 2019 at 5.30pm
Location: Room 019

Members present: David Littlejohn (Chair), Brian Crichton, Margaret Cook, Katrina Hodgson, Craig Ritchie

In attendance: Lorenz Cairns, Depute Principal (Academic)
Veronica Lynch, Vice Principal (External)
Andrea Saunders (Finance)
Penny Davis (Interim Secretariat)

Quorum: 3

Summary of Action Items			
Ref		**Responsibility**	**Time Line**
7	**Indicative Budget** Present full budget to Board.	Head of Finance	12 June 2019
9.1	**Estates Update** Prioritise development of estates strategy.	Principal/Senior Management	tbc
11	**Aviation Academy for Scotland – Tay Cities Deal** Present preferred site proposal to Board.	Head of External Engagement	12 June 2019
	Provide financial analysis/risk assessment to Board.	Head of External Engagement/ Head of Finance	November Board meeting

Item	**Action**

1   Welcome and apologies

The Chair introduced those present to the meeting.

Apologies had been received from Debbie Hutchison.

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2   Additions to the Agenda

There were no additions to the agenda.

3   Declaration of Interest in any Agenda Item

There were no declarations of a conflict of interest.

4   Minutes of the Meetings of the Finance and General Purposes Committee held on 27 February 2019

The minutes were accepted as an accurate record, noting a minor typographical error on Page 4, line 4.

5   Actions arising from the meeting on 27 February 2019

7. Balanced Score Card

Action: Review Balanced Score Card for implementation during 2019-20.

Action Update: on meeting agenda.

8. Learning Centres

Action: Include item on the agenda for next Board meeting.

Action Update: Complete.

9. Estates Updates and Tenders

Action: Provide update to the next Board meeting.

Action Update: Complete.

6.   Accounts
6.1   Perth College Management Accounts – 9 months to 30 April 2019

The Head of Finance introduced the Management Accounts, reporting a favourable position overall against budgeted income and expenditure to Period 9. Members were advised that:

- SFC grants and specifically ESIF allocation were the main factor in a lower than budgeted income figure for the period;
- A new member of staff had been appointed to progress a review of the model for pay costs analysis, which would result in more accurate reporting going forward;

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- Estates related expenditure in the coming months would partially address the current underspend in that area but some degree of underspend was expected at the year end.

The Committee agreed that the report format was significantly improved in terms of clarity and accuracy of reporting.

Members discussed aspects of the report including:

- The performance of catering and residences, and the shift towards a more active management approach by the College.
- Unbudgeted spend in procurement, which Members were advised was a one-off occurrence due to staff movement.
- The margin for delivery costs in China. The Head of Finance advised that further work was being done to enable clearer attribution of staff delivery costs to commercial and academic activity.

6.2 Perth College Group Forecast to year end 31 July 2019

The Head of Finance provided a verbal report, and confirmed that work was ongoing, including optimisation of estates spend, to ensure the College closed the year as close to budget as possible.

6.3 AST Management Accounts – 9 months to 30 April 2019

The Head of Finance introduced the AST Management Accounts, reporting that these were moving in a positive direction and that it was expected to close the year on budget.

The Head of External Engagement advised Members of the potential to align revenue streams going forward.

The Principal and Board Chair reported that a very positive AST Board strategy session had taken place considering the medium to long term outlook for the organisation.

7 Indicative Budget for 2019-20

The Head of Finance presented the Indicative Budget, noting that the indicative salary budget was in place but ROA figures were awaited from UHI. The Financial Directors and Practitioners Group was meeting the following day and it was expected to have a full budget in place in time for the June Board.

Head of Finance

8 Reporting
8.1 Revised Balanced Score Card

The Principal introduced a review of the Balanced Score Card and invited comments from the Committee. Sample reports would be

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presented to the Board in June.

Members agreed that the objective was to have a manageable number of key performance indicators and minimise unnecessary reporting. The College executive would retain oversight of a more detailed set of indicators.

It was noted that KPIs themselves would be considered once the format was agreed.

9   Estates
9.1   Estates Update

The Depute Principal presented a report on estates activity including backlog maintenance, summer works and progress with the sale of the Kinross Learning Centre, for which the bidding process was due to close at the end of June.

It was noted that the College was currently engaged in negotiations over radio mast leases and had recovered some back payments from high users.

A Member enquired about plans to provide electric car charging points for students. It was confirmed that this would be considered as part of a review of current provision.

It was agreed that developing a new estates strategy, based on a more robust financial management approach, would be a priority for the College going forward.

Principal/ Senior Management Team

Given the limited capital spend that would be available across the sector as a whole, the focus would be on maximising impact and recognising the importance of key infrastructure such as IT. Evolving climate change requirements would also be a consideration, and opportunities for alternative funding streams including sponsorship would need to be explored.

10   Human Resources
10.1   Human Resources Update

The Depute Principal presented a report on human resources activity, highlighting that:

- two offers had been made that day in relation to filling the four current vacancies on the HR team;
- the Staff Conference was taking place on 21 June;
- a two-year job evaluation process for support staff would commence on 1 September;
- consultation on learning centre closures was underway.

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Members were also provided with sickness absence data and updates in relation to developing a Menopause Policy and addressing period poverty.

11   Aviation Academy for Scotland – Tay Cities deal

The Head of External Engagement outlined a business case based on £8.1m total funding from Perth College/AST and Tayside Aviation and an equivalent sum from the UK Government via the Tay Cities Deal.

The outline business case had been submitted and feedback was awaited, with a view to a full business case being complete in November. A preferred site proposal would be brought to the Board in June.

Head of External Engagement

It was advised that an informal indication had been received of £0.5m support from UHI. Dialogue would be progressed once the business case was accepted.

The Committee discussed progress, risk, and the point at which the College would be fully committed to the initiative, ie, when contracts were agreed.

Detailed financial analysis and a risk assessment would be brought to the November Board.

Head of External Engagement

12   Standing Committees

Joint Negotiating Committee

Support Staff – 7 March 2019
Lecturers – 7 March 2019

The Depute Principal, who had attended both meetings, provided a brief report.

The Committee noted the minutes.

13   Date and time of next meeting

The 2019-20 meetings schedule would be brought to the Board on 12 June 2019.

14   Review of Meeting

Members agreed the meeting had covered its Terms of Reference.

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Status of Papers   Open   Closed X

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.

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The College may also be asked for information contained in minutes and papers about living individuals, under the terms of the General Data Protection Act 2018.

Do the papers contain items which may be contentious under the terms of the General Data Protection Act 2018?   **Yes**   ☐   **No**   ☑

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Air Service Training Board of Directors' Meeting

Minutes

Meeting reference:	AST
Date and time:	Thursday 23 May 2019
Location:	Perth College Room 019

Members present:	Charlie Shentall
	Margaret Cook
	Sharon Hammell
	Craig Ritchie

Apologies:	Paul Cartmail

In attendance:	Veronica Lynch, Vice Principal (External)
	Andrea Saunders, Head of Finance (HoF)
	Mark Taylor, Interim General Manager (IGM)
	Mike Haufe, Senior Manager Training
	Robert Sutherland (Senior Business Manager)
	Penny Davis, Interim Board Secretary

Chair:	Charlie Shentall
Minute Taker:	Penny Davis
Quorum:	4

Ref	Action	Responsibility	Time Line
5	Introduce a cover sheet template in line with other College committees.	Secretary	Next meeting
5	Finalise the pricing/costing model and develop process/procedures (2 actions).	IGM/Head of Finance	31 July 2019
5	Use a ledger identifier for students on debtors list	IGM	ASAP
6	Review invoicing arrangements for fee income to allow greater clarity on balance sheet and forecasting reporting.	IGM/Head of Finance	ASAP
9	Advise Board of action taken/outcome further to receipt of solicitor's letter.	IGM	Next meeting
9	Progress appointment of Senior Training Manager / handover	IGM	September
9	Bring monitoring report to Board on student feedback/actions.	IGM	Next meeting
10/11	Obtain College Board feedback on OBC and convene AST Board meeting second half June.	IGM/College Management	June 2019
12	Bring paper to future meeting on staffing / workflow and impact on students.	IGM/Head of Finance	Future meeting TBC
12	Review number of instructors allowed for in	IGM	Next

	2019-20 draft budget.		meeting

Item		**Action**

1   **Welcome and Apologies**

The Chair welcomed everyone to the meeting. Apologies were noted.

2   **Additions to the Agenda**

There were no additions to the agenda.

3   **Declaration of Conflict of Interest in any Agenda Item**

There were no declarations of conflict of interest in any agenda item.

4   **Minutes of the meeting held on 29 January 2019**

The minutes of the meeting were accepted as an accurate record.

5   **Matters Arising from 20 November 2018**

Item 5

Clarify the number of company directors required and the terms of reference. Complete. It was noted that Anna Zvarikova had resigned as a Director.	Closed
Introduce a cover sheet template in line with other College committees. This would be progressed once a new Board Secretary had been appointed.	Secretary
Contact Perth and Kinross Council to explore potential funding opportunities related to the Tay Cities deal. Contact had been made and Members were advised that revenue support may be available in terms of delivery but there was no additional budget for capital.	Closed
Pass on details of contact at Bristow. Contact had been made but no response had been received to date.	IGM
Finalise the pricing/costing model and develop process/procedures (2 actions). Henderson Loggie were undertaking an audit this week and it was expected the model would be operational by 31 July 2019.	IGM/Head of Finance
Explore opportunities for language support for students undertaking AST courses. It was confirmed the College language school would be happy to progress a service arrangement to support AST students as needed. The importance of achieving consistent standards of English language was discussed, as well as the timing of classes, including the potential for evening provision.	Closed
Check the processes with regard to CAA training and design licenses. It was confirmed that the necessary approvals had been received.	Closed

Item 6

Check whether the Libya monies can be held off balance sheet. These would remain on the balance sheet but would be extracted from relevant reports in future to ensure clarity of reporting. — Closed

Review branding options for second sites. 'Approved sites' and 'partner sites' had been considered and it was likely that the former would be the agreed term. — Closed

Item 7

Use a ledger identifier for students on debtors list. Work was still required to complete this action. — IGM

Items 8/9

Bring forward the Strategy day to late March early-mid April 2019. Complete. — Closed

Review CAT payments to ensure they remain on track. Complete. Robert Sutherland's work to complete this action was noted. — Closed

Investigate credit value for international students A Scottish student will receive £1,820 from SAS with a further £4,000 credit, allowing AST to claim £5,820 per Scottish student. — Closed

6 **Management Accounts to 30 April 2019**

The Interim General Manager and Head of Finance reported a relatively positive position overall including an increase in revenue income, and went on to provide commentary on the management accounts providing further explanation in relation to:

- An anticipated marginal loss resulting from fewer Air Mauritius students than planned, which had led to a dilemma over whether to continue the course. The position was being closely monitored.
- An increased Gift Aid payment of £15,000 to the College. The Head of Finance reported that this should be offset by a reduction in tax liability, although it was not clear how this would be accounted. Guidance has been sought from Henderson Loggie.
- Low investment in recent years resulting in a balance sheet that was poor in terms of core assets. Members discussed opportunities to raise investment funds including progress with the sale of a helicopter.
- The need to review invoicing arrangements for fee income to allow greater clarity on balance sheet and forecasting reporting. — IGM/Head of Finance

7 **Cash Flow Position**

The Head of Finance reported that a review had been undertaken of

cashflow, including analysis of monthly cashflow statements over a two year period. A net outflow of £400,000 from the business had been identified, the largest single item of which was Gift Aid. She reported additional causes as an underlying cash outpouring and profit that was not cash originating.

Members discussed the report and agreed that cashflow would need to be the main focus going forward.

The Vice Principal (External) reported CAT payments had now been received, removing the need for the College to transfer funds to AST, although it was noted that this may be required as a short term solution in future, and would require College Board approval.

The importance of AST meeting its obligations to the College was discussed, and the need for effective reporting and communications in that regard.

8

Debtors Analysis and Processes

The Interim General Manager presented a report showing some progress to recover outstanding long-term debt.

The Head of Finance highlighted the need to look at the profile between now and the year end to assess the impact on the annual accounts, recommending a risk-based approach.

9   **Interim General Manager Report, Risk Register, Pipeline, Marketing Update and Exam Performance**

Members discussed a progress report presented by the Interim General Manager, including:

- the issue of class size and the possibility of combining classes to achieve efficiency versus the advantages of retaining current arrangements. AST Management advised that the latter was the preferred approach;
- confirmation that new contracts had been amended to remove any ambiguity over the offer of free use of sports facilities at Scone Airfield and Perth College;
- advice from the Vice Principal (External) that formal feedback on the Tay Cities Deal application was expected in two weeks and that an iterative process would follow with a view to a Final Business Case (FBC) being agreed in November 2019;
- dialogue that had taken place with Moray College and Boeing and the intention to pursue the possibility of delivering training in Moray;
- a letter that had been received from the solicitor of one of the landlords whose properties were used by AST students. AST management explained the background to the matter. Members agreed that legal advice should be sought but that there did not appear to be a firm legal basis for any complaint to AST;   IGM
- the CAT pricing and associated terms that had been agreed and was within the range set by the Board;

• the Senior Training Manager would be retiring at the end of the year and it would be essential to have adequate handover arrangements in place. A new Senior Training Manager was expected to be in post by September.		IGM

Members reviewed the risk register. The Interim General Manager reported that a whistleblowing concern had been raised at CAA level. No further information was available at this stage but it was assumed that AST would be involved as appropriate in any resulting investigation.

Members discussed bad debtors from a reputational risk perspective and it was agreed that effective management of debt would be a focus for management going forward.

The Senior Business Manager provided commentary on a business development pipeline report for Members' information.

The Interim General Manager reported on exam pass rates and student feedback. It was agreed that a strategic approach should be taken to student feedback and that a monitoring report should be brought to the Board showing what is being done to address areas of concern and allowing performance to be monitored. | IGM

10/ 11 **Business Plan / Cities Deal Update**

The Chair noted that two major, interrelated reports had been provided and that Members required adequate time to consider these.

It was agreed that the reports would go to the College Board for comment on 12 June and that the AST Board would reconvene in the second half of June to review the reports in detail with a view to final approval in October. | College Management/ IGM

12 **Any Other Business**

The Interim General Manager tabled the draft Budget for the year ending 31 July 2020, highlighting the prudent approach overall and conservative view that had been taken of revenue.

Members discussed staffing costs, workflow and the impact on students, and it was agreed that a paper on this item would be brought to a future meeting of the Board. | IGM/Head of Finance

Principal areas for investment were training aids, equipment and IT.

Members noted the challenges presented by course start dates and consequent timing of the receipt of income. A shift towards more January start dates and away from May/July start dates would be beneficial for financial planning.

The Head of Finance raised a note of caution around the potential need for more instructors than had been budgeted for, which could rapidly increase the deficit, and it was agreed this should be reviewed. | IGM

5

Overall, the Board agreed that actions to improve management of debt and increase sales would be key in the short to medium term, and that a fundamental focus of the Business Plan would need to be mapping steps to take the organisation beyond its current situation.

The Chair thanked the Interim General Manager for the comprehensive reports and good analysis that had been provided to the Board, and thanked all who had contributed to the Outline Business Case submitted to the Tay Cities Deal.

13   **Date and time of next meeting:**

June date to be confirmed.

AST staff left the meeting at this point.

14   **Additional Item of Closed Business**

The Perth College Principal reported to the Board that three candidates had been interviewed for the post AST General Manager. The Interim General Manager had been the strongest candidate and his appointment was recommended to the Board.

The Board welcomed the news and approved the appointment.

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 General Data Protection Act 2018. 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