#### **Board of Management**

#### Agenda

Meeting reference:	Board 2019-20/04
Date:	Wednesday 10 June 2020 at 5.30pm
Location:	Online
Purpose:	Scheduled meeting

\* Denotes items for discussion/approval. 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 Board meeting held on Wednesday 18 March 2020	Clerk	Chair	Paper 1
*5	Actions arising from previous minutes		Chair	Verbal
	Audits & Financial Reporting			
*6	Audit Action Plan	Project & Planning Officer	Chair	Paper 2
*7	UHI Investigation Report - update	UHI Internal Audit	Chair	Paper 3
*8	Management Accounts – 9 months to 30 April 2020	Interim Head of Finance	Vice Principal (External)	Paper 4
9	Perth College Mid-Year Return	Interim Head of Finance	Vice Principal (External)	Paper 5
*10	Perth College Indicative Budget 2020/21 & Future Financial Forecast	Interim Head of Finance	Vice Principal (External)	Paper 6
*11	Air Service Training – Business Plan 2020/21 & Financial Risk	AST General Manager	Chair - AST	Paper 7
*12	BACS Application Form – for minuting	Financial Accountant	Vice Principal (External)	Paper 8



	Standing Reports			
13	Chair's Report	Chair	Chair	Paper 9
14	Principal's Report	Principal	Principal	Paper 10
15	HISA Perth Report	HISA Perth	HISA Perth	Paper 11
	Compliance, Risk & Performance Monitoring			
*16	Perth College Governance Manual (i) Revisions to 2016 Manual (ii) Governance Manual 2020 – Full Draft	Clerk	Clerk	Paper 12a Paper 12b
	Board Development			
*17	Board Effectiveness Review – report	External Facilitator	Chair	Paper 13
18	Board Recruitment – update		Clerk	Verbal
19	Calendar of Meetings 2020/21	Clerk	Clerk	Paper 14
20	Date of Next Meeting • Monday 20 July @ 5:00pm	Clerk		
21	Review of meeting		Chair	

### **Board of Management**

#### **DRAFT Minutes**

Meeting reference Date and time: Location:	e:Board 2019-20/03 Wednesday 18 March 2020 at 5.30pm Room 019
Members present	<ul> <li>Brian Crichton, Board Member (Chair – via videoconference) Andrew Comrie, Board Member Sheena Devlin, Board Member (via teleconference) Katrina Hodgson (via teleconference) Debbie Hutchison, Board Member (left after Item 17) Ann Irvine (via teleconference) David Littlejohn, Board Member (left after Item 12) Charlie Shentall, Board Member (via videoconference) Margaret Cook, Principal &amp; Chief Executive John Dare, Staff Member Debbie Das Chaudhury, HISA Perth (via videoconference)</li> </ul>
In attendance:	Lorenz Cairns, Depute Principal (Academic) Catherine Etri, Associate Principal (Curriculum) Veronica Lynch, Vice Principal (External) Ian McCartney, Clerk to the Board of Management
Apologies:	Sharon Hammell, Board Member Lynn Oswald, Board Member Craig Ritchie, Board Member
Observer:	Candy Munro, External Reviewer (left after Item 15)
Chair: Minute Taker: Quorum:	<b>Brian Crichton</b> Ian McCartney 6



	Summary of Action Items				
Ref	Action	Responsibility	Time Line		
8	<b>UHI Investigation Report</b> Chair to circulate output from meeting with UHI to the Board as soon as available	Chair	ASAP		
10	Management Accounts Vice Principal to amend phasing issues re International Business	Vice Principal	Next Board		
10	Management Accounts Analysis of likely deficit position based on likely impacts of Coronavirus to be undertaken for next Board meeting.	Vice Principal	Next Board		
12	<b>Financial Forecast Review</b> Guidance to be sought from External Auditors, Colleges Scotland and UHI re providing balance budget figure	Principal	Next Board		
13	Chair's Report Chair to provide written reports prior to future meetings	Chair	Next Board		
16	<b>Consultation Process</b> Principal to check whether legal advice had been reported to Board previously and circulate if required	Principal	ASAP		
17	Strategic Risk Register Clerk to review Register around Coronavirus and update	Clerk	Immediate		
24.6	Audit Committee – 10 March 2020 SMT to liaise with other Academic Partners prior to engaging external consultants to draw up a specification for an integrated finance/payroll/HR system that meets the College's current and future needs.	SMT	tbc		

### **MINUTES**

ltem		Action
1.	Welcome and Apologies	
	The Chair welcomed everyone to the meeting, and noted apologies from Sharon Hammell, Lynn Oswald and Craig Ritchie.	
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 interest.	
4.	Minutes of Board Meeting held on 17 December 2019	
	Subject to clarification regarding Item 7, the minutes were approved as a correct record.	
5.	Minutes of Extraordinary Board meeting held on 20 February 2020	
	The minutes were approved as a correct record.	
6.	Matters Arising from Previous Minutes	
	Matters Arising from Board Meeting of 17 December 2019	
	<u>8 Chair's Report</u>	
	Action: Chair to circulate documentation re Programme Board consultation and collate Board responses.	
	Action Update: Completed.	
	<u>12 Strategic Risk Register</u>	
	<b>Action 1</b> : Vice Principal to present negative figures in parenthesis.	
	Action Update: Completed	
	<b>Action 2</b> : Risk 26 to be amended to include reference to Recruitment processes.	
	Action Update: Completed	
	<b>Action 3</b> : Clerk to roll out plans to encourage sub-Committees to make Risk Register more relevant	

	Action Update: Completed	
-	12 Date & Time of Next Meeting	
	Action: Clerk to advise on date of Extraordinary Meeting of Board once determined	
	Action Update: Completed	
	Matters Arising from Extraordinary Board Meeting of 20 February 2020	
Ę	5 External Audit Annual Report 2018-19	
	<b>Action 1:</b> Board schedule of reporting to be produced for June Board for roll-out 2020/21	
	Action Update: To be tabled at June Board	
	<b>Action 2:</b> Vice Principal to confirm with EY that highlighted section on page 13 has been completed, and correct error	
	Action Update: Completed	
	Action 3: Financial Forecast Return to be revised and tabled during next Board cycle	
	Action Update: Completed	
	<b>Action 4:</b> Update on potential cost-effective fixes for finance, payroll and HR	
(	Action Update: Vice Principal looking at cost-effective short-term options re Symmetry and CIPHR systems before looking at broader long-term solutions. To be reported back within next Board cycle.	
	Action 5: Risk Register to be updated to reflect recommendations within Audit Report	
	Action Update: Completed	
6	6 Audit Committee report to the Board of Management	
	Action: Clerk to circulate updated version of Report	
	Action Update: Completed.	
E	External Audit Report 2018-19: Final	
(	Chair noted Paper 3, advising Board that the Paper had been	

	scrutinised by Finance & General Purposes Committee on 4 <sup>th</sup> March, and had been recommended for Board's approval.	
	Chair of F&GP noted that, while the Audit recommendations were not ideal, it did provide the Board with a number of useful actions for implementation, with a focus on improvement. Chair of Board reiterated that Auditors had been encouraged to dig deep, hence the breadth of actions resulting.	
	Board <b>APPROVED</b> the External Audit Report 2018-19.	
8	UHI Investigation Report	
	Chair introduced Paper 4, noting that that the conclusions arrived at were accepted as a pragmatic solution. Chair drew Board's attention in particular to the Action Plan which formed Appendix A of the Report.	
	Chair noted that the Investigation Report had also been scrutinised by UHI Audit Committee and a closed session of University Court. Further dialogue around actions and timings was expected. Chair further noted that, while the expectation was that SFC would be signing off the Report, this does not appear to be the case. Principal added that some uncertainty remained regarding the processes undertaken within UHI committees and the lack of awareness or input the College had to these deliberations.	
	Chair advised Board that, while the majority of the findings within the Report had been agreed with, this did not apply to the interpretation of a complaint deemed to be Whistleblowing by UHI but not so by the College's legal counsel. In response to a question from a Board Member, Chair clarified that the allegations made within the complaint were of sufficient seriousness to investigate, but not deemed to meet the requirements of a formal Whistleblowing process.	
	Board Member noted some concern re transparency having found out about issue when emailed by complainant. Board Member welcomed Conclusion 3.3 while recognising the balance of confidentiality required. Principal noted the differences between discipline/grievance procedures and a Whistleblowing complaint with regard to escalation to Board involvement.	
	Board Member queried who decides whether a complaint is Whistleblowing or not. Chair clarified that this was reason for seeking legal advice. Board Member noted that a staff member may assume they are invoking a Whistleblowing complaint. Principal advised that all College policies were available for staff to scrutinise.	
	Student Board Member noted Section 2.77 and queried the reasons behind the procurement process not being followed. Vice Principal	

	noted that the Catering procurement contract was not straightforward at Perth College due to the student experience element of the contract, however the decision to extend without a tender process was an error that was being rectified. In addition, decisions had been made with regard to expenditure on a piece of construction work that, due to the value of the work, was reportable through the Regional Strategic Body, however this erroneously did not happen.	
	Principal followed up by noting that the Procurement Policy had since been revised, and was tabled for approval later in the meeting. The College has been utilising the services of APUC (Advanced Procurement for Universities and Colleges) to review and improve procedures, and the catering contract was currently out to tender with 4 interested parties. In response to a follow-up question from Staff Board Member, Principal confirmed that a teaching element will remain part of the contractual requirements of the new arrangement.	
	Board Member asked about enactment of Recommendation 2.55, communication of requirements of the Financial Memorandum. Principal noted that, at the most recent Audit Committee, the External Auditors had offered to provide some training re financial literacy of systems and processes later in the year, along the lines of a Board Development evening, however dates were yet to be determined.	
	Student Board Member queried why no-one from UHI was presenting the report to the Board. Chair noted that this may yet happen, but a promise had been made to present the investigation findings to the Board at the earliest opportunity.	
	Board Member stated that, given the process has impact on other issues affecting the College, Board was entitled to have UHI present findings and priorities from their perspective. Chair noted that a closed session with UHI will be taking place to further discuss the Action Plan, and that it may be possible to have wider Board involvement following this. Chair will circulate output from this session to the Board as soon as available.	Chair
	Depute Principal, while broadly welcoming the pragmatic nature of the report and the College's response, noted the lack of opportunity for more than one member of SMT to contribute to the dialogue with UHI throughout the process, which would have provided the report with additional context for the report.	
	Principal confirmed that questions have been, and will continue to be asked about the processes adopted during the investigation, however the College have complied with what had been asked and will act on the recommendations. Principal further noted that it had been the College's position to amalgamate the actions arising into the wider Audit Action Plan, but UHI insisted that a separate plan	
Page	6 of 13	

	was required.	
9	Combined Audit Action Plan	
	Principal introduced Paper 5, the Combined Audit Action Plan, noting that there had been significant discussion on the Plan at the previous Audit Committee. Principal informed Board that actions had been grouped on a logical basis; future versions of the plan will provide a different presentation format based on discrete projects rather than listing the 100+ actions as currently; and that a project management process will be utilised to monitor progress. Principal confirmed that the Plan will be scrutinised by Audit Committee then reported to Board.	
	Board Member welcomed the use of Audit as the primary scrutiny route due to presence of Internal and External Auditors at Audit Committee meetings, and they should be able to contribute to comfort on progress.	
10	Management Accounts – 6 months to 31 January 2020	
	Interim Head of Finance presented Paper 6, noting that these acted as a springboard into papers 7 & 8, and summarised the main points of the paper. Interim Head of Finance further noted that the accounts presented a historical picture, with the Financial Forecast Review (paper 8) reflecting a more realistic version of likely full-year out-turn.	
	Principal noted that there was significant discussion within the Sector around the possible impacts caused by the Coronavirus outbreak, not least in terms of funding and delivery of credits. On a more local note, the College gym will close on Friday which will impact on income levels, an there will clearly be issues related to AST, so losses seem inevitable.	
	Principal further noted that the Government have indicated that their position is likely to be on of "no change" re funding levels but there is yet to be any clarity on how this will be delivered. A more detailed position will emerge, at which time the Board will be updated.	
	Board Member queried International Business figures, noting that figures related to pre-Coronavirus, however were still £100k down. Vice Principal noted that this was likely to be a phasing issue and should be cleared up at Mid-Year Review, however agreed that this should be amended going forward.	Vice Principal
	Chair proposed that analysis of likely deficit position based on likely impacts of Coronavirus be undertaken for next Board meeting. This was <b>AGREED</b> by Board.	Vice Principal
	Board Member made further suggestion that tracking of actual	

versus budget income on a month-to-month basis would allow more comfort on liquidity and cashflow. Chair noted that F&GP had discussed a similar issue, and discussion was had regarding ensuring that College always had at least one week's cash available on any given day.	
Mid-Year Return	
Interim Head of Finance presented Paper 8, noting that the paper had been based on figures to end February 2020, and confirming that a deficit position of £978k was predicted, which is marginally better than budget.	
Financial Forecast Return	
Interim Head of Finance presented Paper 9, noting that this was a best estimate of the 5-year financial projection for the College based on current assumptions. Interim Head of Finance clarified that the FFR had originally been submitted to SFC in October, however additional assumptions and risks had been identified that required the document to be revisited.	
Interim Head of Finance noted that the position had been helped slightly by adjusted operating position, but the FFR still showed growing deficits.	
Chair noted that SFC guidance was to provide a balanced budgetary position, but the paper does not achieve this. Chair queried the value of resubmitting to SFC if the position arrived at does not follow their declared methodologies.	
Vice Principal noted that External Auditors had advised against presenting a false picture to ensure SFC and Scottish Government were aware of full picture. Chair advised that another UHI college had received a reprimand for adopting this approach.	
Following a proposal from the Principal, Board <b>AGREED</b> that further guidance should be sought from External Auditors, Colleges Scotland and UHI before progressing this issue further.	Principal
Chair thanked the Finance Team for a lucid set of reports.	
Chair's Report	
Chair provided a verbal update to Board, noting attendance at meetings of the Governance & Accountability Working Group, FERB, UHI Court and a meeting with Barbara Nelson.	
Board Member noted that it would be useful to have a Report in advance of Board meetings as a default position. Chair apologised and confirmed that Reports would be provide in the future.	Chair
	<ul> <li>comfort on liquidity and cashflow. Chair noted that F&amp;GP had discussed a similar issue, and discussion was had regarding ensuring that College always had at least one week's cash available on any given day.</li> <li>Mid-Year Return Interim Head of Finance presented Paper 8, noting that the paper had been based on figures to end February 2020, and confirming that a deficit position of £978k was predicted, which is marginally better than budget. Financial Forecast Return Interim Head of Finance presented Paper 9, noting that this was a best estimate of the 5-year financial projection for the College based on current assumptions. Interim Head of Finance clarified that the FFR had originally been submitted to SFC in October, however additional assumptions and risks had been identified that required the document to be revisited. Interim Head of Finance noted that the position had been helped slightly by adjusted operating position, but the FFR still showed growing deficits. Chair noted that SFC guidance was to provide a balanced budgetary position, but the paper does not achieve this. Chair queried the value of resubmitting to SFC if the position arrived at does not follow their declared methodologies. Vice Principal noted that External Auditors had advised against presenting a false picture to ensure SFC and Scottish Government were aware of full picture. Chair advised that another UHI college had received a reprimand for adopting this approach. Following a proposal from the Principal, Board AGREED that further guidance should be sought from External Auditors, Colleges Scotland and UHI before progressing this issue further. Chair thanked the Finance Team for a lucid set of reports. Chair provided a verbal update to Board, noting attendance at meetings of the Governance &amp; Accountability Working Group, FERB, UHI Court and a meeting with Barbara Nelson.</li></ul>

14	Principal's Report	
	Principal noted Report, tabled as Paper 9.	
15	HISA Perth Update	
	Student Board Member presented Report and updated Plan of Work, tabled jointly as Paper 10.	
	Principal noted that the Board and SMT were keen to ensure maximum engagement with new officers and to ensure induction is as smooth as possible within likely parameters.	
16	Consultation Process (CLOSED ITEM)	
	Principal presented Paper 11, which provided an update on the Consultation process and sought approval of future proceedings.	
	Principal highlighted the required permission of SFC for compulsory redundancies could not be obtained until the UHI Report was completed and submitted, noting that timescales for this remained unclear. In addition, consensus could not be reached with the Trades Unions despite numerous consultation meetings.	
	Given the above, and in the knowledge that face-to-face teaching was now suspended and staff now mainly working from home, continued staff engagement in the process was all but impossible.	
	Board Member sought clarity on the robustness of the staffing models being utilised, and on the legal scrutiny of VS.	
	Principal responded that 2 staffing models were being utilised, one financial to allow projections and one academic model linked to student numbers in programmes, year groups, etc to arrive at the required number of teaching hours. Principal also clarified that legal advice had been received, and was included in the submission to SFC. Principal would check whether this legal advice had been reported to Board previously and if not this would be circulated.	Principal
	Board Member noted that if College was not in a position to move forward with a voluntary scheme it was difficult to reach a position to agree with proposals or not. Chair agreed that position was difficult and proposed that consultation process should be suspended until such times as approval has been received from SFC, but also look at alternative solutions particularly in view of the uncertainty created by Coronavirus and how staff cost modelling might be affected. Principal agreed that the practical reality was that the College would be unable to move things forward at the current time.	
	On proviso that the Proposals tabled be amended to reflect the discussion above and that SFC approval be gained as soon as	

	possible, and that formal approval by the Board would be achieved (allowing for an online meeting if required), the principles of the Proposal were <b>AGREED</b> by the Board	
17	Strategic Risk Register	
	Clerk presented the latest iteration of the Risk Register (Paper 12) following reviews at sub-Committee level. Clerk highlighted in particular the addition of Risk 29 (Asset Management) and score amendments to Risks 12, 14 & 22. Clerk also noted proposed next steps in development being a review of the Action Plan to ensure currency and to examine methods to rationalise operational records to ensure Register maintains a strategic focus.	
	Chair noted that Perth College recorded lower risk scores than other Academic Partners within Common Risk areas and asked that Clerk reviews mitigations to ensure this is justified.	
	Board Member asked whether there were plans to include reference to Coronavirus risks. Clerk to review and update.	Clerk.
18	Continuity Business Plan – Coronavirus Update	
	Principal provide verbal update on Continuity Business Plan in relation to responses to the Coronavirus outbreak.	
	Principal informed Board that face to face teaching had been fully suspended, with provisions to move to online teaching where possible by Monday 23rd, although the Library is keen to remain open to provide a level of support to students.	
	Staff are still required to attend campus unless they have a specific reason not to, which will help with orderly closedown as and when this is required.	
	Primary focus will be on maintaining student support, particularly to vulnerable students.	
	Residences remain open, and a number of international students are still on-site.	
	Daily meetings with staff have been taking place due to the fast- moving nature of guidance and responses required.	
	Laptops have been made available to students.	
	Board Member queried arrangements for financial transactions and payroll given some of the systems issues identified previously. Principal provided reassurances that systems were in place to make this happen as seamlessly as possible, with testing ongoing. Consideration was being given to adopting a position re unused	

	annual leave to provide a clarity of position for pay, conditions and	
	working practices.	
	Principal noted that expectation was that FE students present a	
	higher risk re continued engagement and staff were being challenged on how to deliver this engagement.	
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19	Health & Safety – Quarterly Update	
	Paper 13 was noted by the Board.	
20	Balanced Scorecard	
	Clerk presented Paper 14 for information, noting in particular the link	
	with the Audit Plan for review of metrics and reporting timelines.	
	Board Member asked that this review incorporated some	
	consideration of more up-to-date information, possibly in the form of	
	a dashboard display of key information.	
21	International Strategy	
21	international outdregy	
	Vice Principal presented the latest iteration of the International	
	Strategy (Paper 15), noting that the Strategy had been scrutinised at	
	Engagement, F&GP and Audit Committees within this Board cycle.	
	Vice Principal noted that previous recommendation to add	
	information on programmes and markets had been added to the	
	Strategy, and that revenue projections had been downwardly forecast based on indications from existing and pipeline contracts.	
	Chair suggested revision of projections based on potential impacts	
	of Coronavirus. Board Member preferred to adopt Strategy but keep numbers under review until more is known about impact of	
	Coronavirus.	
	The International Strategy was APPROVED by the Board.	
22	Procurement Strategy	
23	Procurement Policy	
	Denore 16 and 17 were presented isintly by Vice Principal whe	
	Papers 16 and 17 were presented jointly by Vice Principal, who noted that F&GP had approved both with minor amendments. Vice	
	Principal further noted that both documents had been prepared by	
	APUC and full consultation across committees and management	
	had taken place.	
	The Procurement Strategy and Procurement Policy were	
	APPROVED by the Board.	

24	Minutes of Board Standing Committees	
24.1	AST Board – 09 January 2020	
	The minutes of this meeting were noted.	
24.2	Engagement Committee – 30 January 2020	
	The minutes of this meeting were noted.	
24.3	Chairs' Committee – 14 February 2020	
	The minutes of this meeting were noted.	
24.4	Academic Affairs Committee – 24 February 2020	
	The minutes of this meeting were noted.	
24.5	Finance & General Purposes Committee – 04 March 2020	
	The minutes of this meeting were noted.	
24.6	Audit Committee – 10 March 2020	
	The minutes of this meeting were not presented. Chair of Audit presented a verbal update of the key item, noting a discussion regarding current systems for payroll, finance & HR not being fit for purpose. Chair of Audit proposed that a piece of work be commissioned to work on a specification for new systems in advance of a fully integrated system being developed.	
	Chair noted that the TechOne system proposed by UHI will initially be adopted by Executive Office only in the first instance, and that roll-out across the Partnership was unlikely in the short-term.	
	Following a brief discussion on the matter, Board AGREED that SMT liaise with other Academic Partners prior to engaging external consultants to draw up a specification for a system that meets the College's current and future needs.	
25	Date & Time of Next Meeting	
	Wednesday 10 June 2020 2020	
26	Review of Meeting	
	Members agreed the meeting had covered Board business.	

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 ☑ Except Item 16

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

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

The College may also be asked for information contained in minutes about living individuals, under the terms of the Data Protection Act 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 D No 🗹



#### Paper 2

Committee	Board of Management						
Subject	Audit Action Plan						
Date of Committee meeting	10/06/2020						
Author	Kirsty Campbell, Project & Planning Officer						
Date paper prepared	03/06/2020						
Executive summary of the paper	The attached paper provides Committee with the DRAFT Project Status Table for the combined Audit Action Plan and a Progress Update providing an overview of the action plan.						
	The following points are to be noted:						
	<ul> <li>The Table shows the top-line information only; the full document includes objectives and progress updates etc</li> <li>KPIs/Metrics have been added to the table and identification of baselines and targets to track progress and the impact of activities is underway</li> </ul>						
	<ul> <li>The next phase of work on the Action Plan will include the addition of Priority and Percentage Complete columns.</li> <li>Definitions for these additional columns can be found in the Progress Update supporting paper attached.</li> </ul>						
<b>Consultation</b> How has consultation with partners been carried out?	Action Leads were consulted to provide information and context where available.						



Action requested Resource implications (If yes, please provide details)	<ul> <li>For information only</li> <li>For discussion</li> <li>For recommendation</li> <li>For approval</li> <li>No</li> </ul>
Risk implications	No
(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	Paper collates areas recognised as risks to the College.
Equality and diversity Yes/ No If yes, please give details:	No
<b>Island communities</b> Does this activity/ proposal have an effect on an island	No If yes, please give details:



community which is significantly different from its effect on other communities (including other island communities)?	Click or tap here to enter text.
Data Protection	No
Does this activity/ proposal require a Data Protection Impact Assessment?	Click or tap here to enter text.
<b>Status</b> (e.g. confidential/non confidential)	Non-Confidential
Freedom of information	Open business
Can this paper be included in "open" business?*	'

\* 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/ScottishPublicAuthoritie s.asp and http://www.itspublicknowledge.info/web/FILES/Public\_Interest\_Test.pdf

# **Audit Action Plan**

# **Interim Progress Update**



03 June 2020

# Purpose

The purpose of this progress update is to provide the current view on where the college sits against the completion of all the activities set out within each of the audit action plans we are currently working to.

• UHI Internal Audit Report 28 February 2020

 Perth College Annual Audit Report to the Board of Management and the Auditor General for Scotland – year ended 31 July 2019

 Internal Auditor Reports – IT Network Regulations, Health & Safety, Equalities, Payroll & HR

# What information was captured?

The Audit Action Plan Progress Update table contains the following categories of information:

Action Plan – Identifies the key department or college service for each activity

Theme – identifies the area for development that will benefit from the activity

**Project** – a brief description of the activity

Lead Owner/Accountable – identifies where the responsibility and accountability sits for each activity

Anticipated Completion Date - Understanding of the timelines and working with Leads in order to give a realistic timescale for completion

Priority – an indicator based upon deadline v strategic priority v capacity (NB Pending)

**Source** – reference to the Audit Report the action was captured from

Current Status – the stage the activity is currently at (status categories can be seen in Appendix 1)

**Percentage complete** – an indicator of the amount of work completed on the task to date (**NB** Pending)

Status Update - a brief description of progress to date

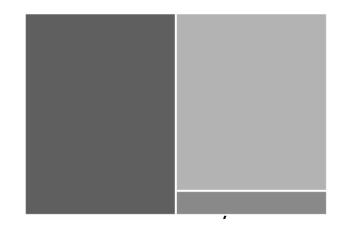
**KPIs/Metrics** – how the impact and performance improvement for the activity will be measured

# **Overview**

The Data-set is comprised of actions from the 3 main college audit reports previously mentioned and contains

# **117** Activities

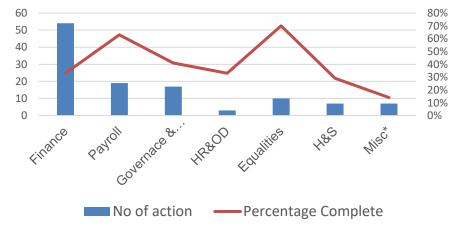
- 50% of activities are currently ongoing,
- 44% have already been fully or partially
  - completed
- 6% are paused or yet to start



The 117 activities split by theme...



The activities by dept/percentage complete



# **Measuring the impact**

### **KPIs/Metrics**

### **Priority**

By focusing on the tracking of measurements (quantitively or qualitatively), it will be possible to show the progress and impact of progress at any one time.



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To give a clear definition of priority (deadline vs strategic importance vs capacity) – to be linked to themes

### Baseline

### Target



A measure of the current position as a starting point for tracking progress and improvement over a period of time Setting targets to see the progress and improvement that has been made.

Meeting targets is key to evidencing how well the College is doing.



# **Appendix 1**

### Complete

The activity is complete, no further action required.

### **Complete-Monitoring**

The activity is complete, and will be monitored for improvement/impact..

### Partial Completion

An action comprised of a number of Individual activities where some have been completed

### In progress/on track/pending

The activity has started and is in progress/on track to meet deadline/pending completion

### Not Yet Started/Paused

The activity will start on completion of dependant actions / paused due to other circumstances eg COVID-19

## Stopped

The activity has been superseded .

	· · · · · · · · · · · · · · · · · · ·	ect Status Table 2020-21						
Action Plan	Theme	Project	Lead	Accountable	Anticipated Completion Date	Source	Current Status	KPIs/Metrics
						EY Appendix		
Finance	2. Compliance	Commission internal Audit Action Plan	VPEE/PPO	VPEE	Feb-20	D: 7	Complete	No of Audit recommendations
Finance	2. Compliance	Utilise the programme of internal and external audits	HoF	VPEE	Feb-20	VPEE	Complete	No of Audit recommendations
		Positively engage with Auditors (UHI/ Internal/						
Finance	2. Compliance	External)	HoF	VPEE	Feb-20	VPEE	Complete	No of Audit recommendations
Finance	2. Compliance	Relevant staff informed of steps to be taken from Audit Action Plan	P&CE/VPEE	VPEE	Feb-20	EY Appendix D: 7	Complete	No of staff informed
Finance	2. Compliance	Review Finance staffing structure including Finance Director for SMT	HoF	VPEE		EY Appendix D: 1 & 5	Complete	Rate of staff turnover
Finance	2. Compliance	Secure storage of system logins and passwords	HoF	VPEE	Feb-20	UHI Action Plan: 2.71	Complete	No of Audit recommendations
Finance	2. Compliance	Provide timely financial reports and metrics to Board and Committees	HoF	VPEE	Dec-20	EY Appendix	Complete- Monitoring	Percentage of reports/statements submitted on time
			1101	VI 22	20020		liotitoring	
Finance	2. Compliance	Put APUC contract in place	VPEE	VPEE	Feb-20	EY Appendix D: 14	Complete- Monitoring	No of Audit recommendations
<b>-</b> '		Implement procurement process to ensure the requirements of the Financial Memorandum for non-competitive action are			<b>D</b> 00	UHI Action	Complete-	Percentage of non-compliant contracts
Finance	2. Compliance	followed	HoF	VPEE	Dec-20	Plan: 2.89	Monitoring	over £25K
Finance	2. Compliance	Complete transition to Government Bank Service	HoF	VPEE	Aug-20	EY Appendix D: 7	In progress	No of maintained bank accounts
Finance	2. Compliance	Effective communication of the Financial Memorandum between College and University to relevant college staff	HoF/VPEE	VPEE	May-20	UHI Action Plan: 2.55	In progress	No of Audit recommendations
		-						
Finance	1. Future financial planning	Utilise the Risk Register as a proactive tool to inform internal and external audit plan	HoF	VPEE	Apr-20	VPEE	Complete- Monitoring	No of Audit recommendations

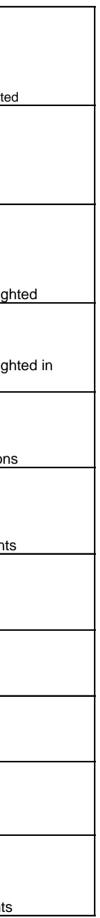
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Finance	3. Manual Processes	Implement a documented set of financial procedures for the Finance Team	HoF	VPEE	Dec-20	UHI Action Plan: 2.70	In progress	Percentage of written procedures
	110063363				D60-20	1 1011. 2.70	in progress	reicentage of written procedures
Finance	1. Future	Develop a robust 2020/21 budget plan	HoF	VPEE	Jun-20		In progress	Audit recommendations/customer satisfaction
					5011-20		in progress	
						EV Appondix		
Finance	2. Compliance	Update Fraud Response Plan	HoF	VPEE	May-20	EY Appendix D: 8	Partial completion	Updated plan
		Generate £600k savings within 2019/20						
Finance	1. Future	budget to achieve a balanced budget - superseded by COVID-19	HoF	VPEE	Jun-20		Complete	Savings target met
Fillance		superseded by COVID-19	FIOF	VFEE	Juii-20	VFEE	Complete	
<b>Finance</b>	1. Future	Proactively engage with UHI as the Regional	LIE	VDEE	lun 20		In	Enhanced working relationship by end of
Finance	financial planning	Strategic Body	HoF	VPEE	Jun-20	VPEE	In progress	financial year
	1. Future					EY Appendix		Enhanced working relationship by end of
Finance	financial planning	Increase engagement with UHI Finance	HoF	VPEE	Jun-20	D: 9	In progress	financial year
								Embed KDIs into monthly reporting
Finance	1. Future financial planning	Create KPI financial sustainability metrics for the Balanced Scorecard	HoF/PPO	VPEE	Jun-20	VPEE	In progress	Embed KPIs into monthly reporting by end of financial year.
	1. Future	Review financial risk attached to Business	HoF/VPEE/Cler					Achieve BOM approval of strategy
Finance		Development Strategy	k to BOM	VPEE	Jun-20	EY Appendix	In progress	by end of financial year
	1. Future	Review financial risk attached to International	HoF//PEE/Cler					Achieve BOM approval of strategy
Finance	financial planning		k to BOM	VPEE	Jun-20	EY Appendix	In progress	by end of financial year
L	1. Future	Review financial risk attached to Scholarship	HoF/VPEE/Cler					
Finance	financial planning	and Research Strategy	k to BOM	VPEE	Jun-20	VPEE	In progress	Variances in income
	3. Manual	Implement an improved budgeting and						Contact Register in place for end of
Finance	Processes	contract management process Improve communication between College	HoF/VPEE	VPEE	Jun-20	EY Appendix	In progress	financial year
		Teams and Finance. Linked to contract						
Finance	4. Culture	process.	HoF/CMT	VPEE	Sep-20	EY Appendix	In progress	Variances in income
		Procurement Policy and Procedure including procedures for awarding contracts without				D: 14 UHI Action		
		competition are finalised and communicated				Plan: 2.88		
Finance	2. Compliance	to all staff	HoF/APUC	VPEE	Jun-20		In progress	Percentage of staff completing cpd
		Update college Financial Regulations last		VPEE/Chair to		UHI Action		Financial Regulatiosn agreed at August
Finance	2. Compliance	approved by BOM March 2013	HoF/BOM	BOM	Sep-20	Plan: 2.66	Partial completion	F&GP
Finance		Communicate Financial Regulations to all	11-5			UHI Action	Not wat at a to d	
Finance	2. Compliance	staff	HoF	VPEE	Jul20	Plan: 2.66	Not yet started	Percentage of staff completing cpd

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Financo		Undertake CMT and BOM development sessions for Financial Forecast Return (FFR)	HoF	VPEE	Oct-20	EY Appendix		Percentage of staff completing
Finance			ПОГ	VFEE	001-20	D. 10	In progress	Percentage of Stall completin
Finance	4. Culture	Implement combined financial reports	HoF/VPEE	VPEE	Nov-20	VPEE	In progress	Financial reports to be gener Symmetry during first half of
Finance		Complete impact assessment on implementation of the revised Statements of Recommended Practice (SORP)	HoF	VPEE	Jul20		In progress/on target	Fully SORP compliant 2019/
Finance		Create a common costing model across all strands of income	HoF/VPEE	VPEE	Jul20	VPEE	In progress/on target	Robust costing in place fo financial year
Finance		Provide financial reports and metrics to support AST Board reporting	HoF/VPEE	VPEE	Jul20	VPEE	Complete- Monitoring	Variances in budget
Finance		Create and implement a financial plan for the Aviation Academy for Scotland	HoF	VPEE	Aug-20	VPEE	In progress	Readiness to proceed
Finance		Develop a transition plan to move from manual to electronic processes	HoF	VPEE		EY Appendix	Partial completion	Percentage of electronic-bas procedures
Finance	4. Culture	Develop process for managing cash in short, medium and long term flow models	HoF	VPEE	Sep-20	VPEE	In progress	Symmetry generated cash 2020/21
Finance	1. Future financial planning	Monitor performance against cash flow forecast	HoF	VPEE	Jul-21	VPEE	In progress	Days cash availability
Finance		Develop a revised approach and timetable for the production of financial statements/YE processes	HoF	VPEE		EY Appendix D: 1 & 7	In progress	Time taken to produce fina statements
Finance	2. Compliance	Carry out planned internal audit review of procurement	HoF/VPEE/Cler k BOM/APUC	P&CE	Jul-20	UHI Action Plan:	In progress/on target	No of Audit recommendat
Finance	2. Compliance	Ensure internal working for statutory financial returns to government and funding bodies	HoF	VPEE	Jul-21	VPEE	Complete- Monitoring	No of financial errors
Finance	3. Manual Processes	Implement compulsory PO's across all supplies and services	HoF/APUC	VPEE	Jul20	EY Appendix D: 14	In progress	Percentage of invoices quoti orders
Finance	3. Manual Processes	Implement greater supplier management systems	HoF/FinAsst	VPEE	Jul-21	VPEE	Partial completion	Time taken to produce finance statements
Finance		Update procurement contracts register to track 3 year contract values	VPEE/APUC	VPEE	Jul-21	EY Appendix D: 14	Complete- Monitoring	Time taken to produce repor

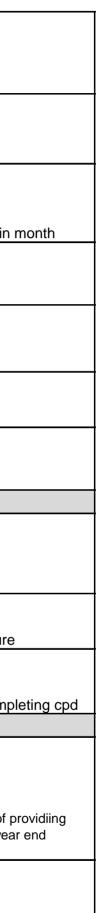
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Finance	2. Compliance	Re-tender non-compliant contracts	VPEE/APUC	VPEE	Jul-21	EY Appendix D: 14	In progress	No of non-compliant contracts
Finance	4. Culture	Implement Fixed Asset Register	HoF/HoE	VPEE/DP	Dec-20	EY Appendix	In progress	Variances in value
Finance	2. Compliance	Tender of PPE evaluation	APUC	VPEE	Jul-20	VPEE	In progress	
Finance	2. Compliance	Prepare audit ready year end accounts in compliance with the Code of Good Governance	HoF/Clerk to BOM	VPEE	Sep-20	VPEE	In progress/on target	No of days to produce year end accounts
Finance	1. Future financial planning	Fincancial Forecast Return (FFR) to be presented in a timely manner to allow Board sufficient scrutiny	HoF	VPEE	Sep-20	EY Appendix D: 9	In progress	Completion with time for review
Finance	1. Future financial planning	Revisit assumptions within Financial Forecast Return (FFR) 2019 to 2024	HoF	VPEE	Sep-20	EY Appendix D: 9	In progress	Revised FFR completed and approved
Finance	1. Future financial planning 1. Future	Develop scenario planning, modelling and fiscal/budget assumptions for BOM Implement scenario planning exercise with	HoF HoF/Clerk to	VPEE	Oct-20	EY Appendix D: 10 EY Appendix	In progress	Delivery of scenario planning exercises for September Board Delivery of scenario planning
Finance	financial planning	· · ·	BOM	VPEE	Dec-20		progress/pending	exercises for September Board
Finance	3. Manual Processes	Implement quality control and review processes across all transactions within accrual accounting	HoF	VPEE	Sep-20	EY Appendix	In progress	Number of adjustments to financial statements noted by Auditors
Finance	4. Culture	Review and Improve Induction Process for Finance staff	HoF	VPEE/DP	Jul-21	VPEE	In progress	Fully implemented induction process
Finance	1. Future financial planning	In consultation with BOM and budget holders implement an information pack for managing the business	HoF	VPEE	Dec-20	EY Appendix D: 6	In progress	Fully implemented Information Pack
Finance	2. Compliance	Implement Training Needs Analysis and CPD for Finance Team	HoF	VPEE	Dec-20	EY Appendix D: 5	In progress	No of staff completing TNA and CPD
Payroll Systems	3. Manual Processes	Amend payroll user rights to ensure appropriate levels of access/currency/accuracy	Payroll	VPEE		EY Appendix D: 7 2018/19 Internal Audit:	Complete	Auditor recommendations

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Payroll Systems	3. Manual Processes	Ensure differences between gross salaries on HR & Payroll systems are rectified	Payroll/ HROD	VPEE	Dec-19	2018/19 Internal Audit: R1	Complete	Number of errors highlighted
						2018/19		
Payroll Systems	3. Manual Processes	Consider an annual reconciliation between gross salaries on HR & Payroll systems	Payroll/ HROD	VPEE	Dec-19	Internal Audit: R1	Complete	All gross salaries match
Payroll Systems	3. Manual Processes	Implement more robust procedures to calculate union/pension employee deduction	Payroll	VPEE	Dec-19	2018/19 Internal Audit: R3	Complete	Number of errors highligh
Payroll Systems	3. Manual Processes	Consider an independent check of the Payroll Team's own payroll salaries	Payroll/HoF	VPEE		2018/19 Internal Audit:		Number of errors highligh
Payroll Systems	3. Manual Processes	Implement payroll action plan	Payroll/ HROD	VPEE		2018/19 Internal Audit:		Auditor recommendations
Payroll Systems	3. Manual Processes	Strengthen controls around variations to staff salaries	Payroll/HROD	VPEE		EY Appendix D: 7 2018/19 Internal Audit: R4	Complete	No of payroll adjustments
Payroll Systems	3. Manual Processes	Introduce payroll checklist mechanisms	Payroll	VPEE		D: 7 2018/19 Internal Audit	Complete	No of payroll errors
Payroll Systems	3. Manual Processes	Invest in a managed service for Ciphr	HROD	VPEE	Feb-20	EY Appendix D: 7	Complete	Improvements to Ciphr
Payroll Systems	3. Manual Processes	Carry out internal audit of pensions and tax payments	Payroll/ HROD	VPEE	Feb-20	EY Appendix D: 7	Complete	No of payroll errors
Payroll Systems	2. Compliance	Voluntary disclosure to HMRC on internal control issues eg tax payments & pensions contributions	HoF	VPEE	Feb-20	EY Appendix D: 7	Complete	Agreement with HMRC
Payroll Systems	3. Manual Processes	Implement more robust systems to ensure that payroll amounts are correctly calculated	Payroll/HROD	VPEE	Sep-20		In progress/on target	Streamlining of elements



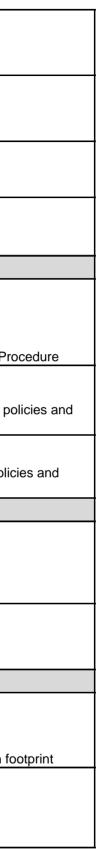
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						2018/19		
Payroll	3. Manual	Provide formal training to the Payroll Finance				Internal Audit:		
Systems	Processes	Assistant	Payroll/HROD	VPEE	Sept-20		Paused	Completion of cpd
Payroll Systems	3. Manual Processes	Ensure that variance reports have been checked and signed off	Payroll/HoF	VPEE	Jul-20	2018/19 Internal Audit: R6	Complete- Monitoring	No of payroll errors
Payroll Systems	3. Manual Processes	Ensure regular reconciliation of payroll accounts	College Financial Accountant	VPEE	Sep-20	2018/19 Internal Audit: R8 EY Appendix	In progress	All errors resolved within
Payroll Systems	3. Manual Processes	Rectify errors in NI	Payroll/ HROD	VPEE	Jun-20	D: 7 2018/19	Partial completion	No of payroll errors
Payroll Systems	1. Future financial planning	Make 2nd HMRC disclosure and identify value of overpayment of NI and staff clawback	Payroll Finance	VPEE	Jun-20	VPEE	In progress	Value of overpayment
Payroll Systems	2. Compliance	Identify right for employees to enrol on 2 pension schemes	Payroll/ HROD	VPEE		EY Annual Audit Report, p.16; VPEE	Partial completion	No of pension errors
Payroll Systems	3. Manual Processes	Rectify errors of pension overpayments on work over 35 hours	Payroll	VPEE	Sep-20	VPEE	Partial completion	No of pension errors
HR Systems	4. Culture	Review of high staff turnover in Finance & HR and identify where other departments are at similar risk	HROD	VPEE/DP	Jun-20	UHI Action Plan: 2.23	In progress	Rate of staff turnover
HR Systems	3. Manual Processes	Incorporate formal processes for 'movers' into existing starter/leavers processes	HROD	DP	May-20	2018/19 Internal Audit	Complete	Revised policy/procedure
HR Systems	2. Compliance	Roll out training on Financial Regulations to all staff	HoF/HROD	VPEE/DP	Jul20	UHI Action Plan: 2.66	Not yet started	Percentage of staff comp
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Governance & BOM	2. Compliance	Provision of timely evidence base demonstrating compliance with Code of Good Governance to Audit Committee and BOM as part of preparation of governance statement and ahead of y/e accounts	Clerk to BOM	Chair BOM	Jun-20	UHI Action Plan: 2.103	In progress	Meeting annual process of p evidence base ahead of yea accounts
Governance & BOM	2. Compliance	Compliance with requirements set out by SFC and SPRM re settelement agreements	P&CE	Chair BOM	Feb-20	UHI Action Plan 2.62	Complete	



Governance & BOM	1. Future financial planning	Timely management reporting to relevant committees including Board and its committees	SMT/CMT/Clerk to BOM et al	P&CE		UHI Action Plan: 2.49	Complete- Monitoring	Percentage of reports/statements received on time
Governance & BOM		Confirm robustness of Cerrtificates of Assurance (provided to SFC/ScGov) through Audit Committee & Board	Clerk to BOM/Chair Audit Comm	Chair BOM		UHI Action Plan: 2.40	Complete	Annual Process to be minuted at Audit Committee
Governance & BOM		Include staff turnover HR report to Finance & General Purposes Agenda	HROD/ Clerk to BOM	DP		UHI Action Plan: 2.24	Complete	Minuting of agenda item at F&GP
Governance & BOM	3. Manual	Review College Risk Register process and include as an agenda item at the Finance & General Purposes committee	P&CE/Clerk to BOM	Chair BOM		EY Appendix D: 11 UHI Action Plan: 2.97. 2.98	In progress	No of college committee recommendations/ monitoring of references from college committees via Minutes
Governance & BOM		Report outcomes of all instances of whistleblowing to Board as per Whistleblowing Procedure	P&CE/Clerk to BOM	P&CE		UHI Action Plan: 2.13	In progress	No of Audit recommendations
Governance & BOM		Review of Whistleblowing Policy to go to F&GP for approval	HROD/Clerk to BOM	P&CE		UHI Action Plan: 2.13	In progress/pending	Publication of Policy
Governance & BOM		Ensure control issues, ie material non- compliance are investigated and formally reported to Board & Committees and to the university as per Financial Memorandum	СМТ	P&CE		UHI Action Plan: 2.39	In progress	Percentage of out of date policies/procedures
Governance & BOM	1. Future financial planning	Ensure control issues, ie material non- compliance are investigated and formally reported to Board & Committees and to the university as per Financial Memorandum	P&CE	Chair BOM	Dec-20	UHI Action Plan: 2.40	Complete- Monitoring	No of Audit recommendations
Governance & BOM		College Board to regularly review Risk Register and ensure risks are in accord with risk appetite	Clerk to BOM/BOM	Chair BOM		EY Appendix D: 11 UHI Action	Complete	No of Board recommendations
Governance & BOM		Review process for reporting and approval of settlement agreements by Board	P&CE/Clerk to BOM	Chair BOM	Jul20	EY Appendix D: 11	In progress	Audit recommendations/customer satisfaction
Governance & BOM	2. Compliance	Review college Governance Statement	P&CE/Clerk to BOM	Chair BOM	Jul20	EY Appendix D: 12	Complete	Audit recommendations/customer satisfaction
Governance & BOM	1. Future financial planning	Implement further improvements to Balanced Scorecard	P&CE/Clerk to BOM	P&CE	Jul20	EY Appendix D: 13	In progress/on target	Customer satisfaction
Governance & BOM	1. Future financial planning	Review College Annual Governance Plan	P&CE/Clerk to BOM	Chair BOM	Jul-20	EY Appendix D: 11	In progress	Percentage of reports/statements received on time

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Governance & BOM	3. Manual Processes	Review Business Continuity Plan	SMT/Clerk to BOM	P&CE	Jul-20	VPEE	In progress	Frequency of reporting
Governance & BOM	1. Future financial planning	Include financial monitoring updates on Board agendas	P&CE/Clerk to BOM	Chair BOM	Jul20	EY Appendix D: 11	Complete	Percentage of reports/statements received on time
	I							
Equalities	2. Compliance	Review and clarify remit of EDIT	HROD, E&D	DP			Complete	Audit recommendations/customer satisfaction
Equalities	2. Compliance	For staff and students, identify areas with disproportionately low representation by those with protected characteristics	HROD, HoSE, E&D	DP	Feb-20	2018/19 Internal Audit: R4	Complete	No of identified areas for development
Equalities	2. Compliance	Review and check for accuracy calculations for the College's equalities reports	HROD	DP		2018/19 Internal Audit:		Number of calculation errors
						2018/19 Internal Audit:		
Equalities	2. Compliance	Develop an Equality and Diversity Strategy	HROD	DP	Mar-20		Complete	Publication of strategy
Equalities	2. Compliance	Develop an Equality and Diversity operational plan	HROD	DP	Mar-20	2018/19 Internal Audit: R2	Complete	No of actions completed
Equalities	2. Compliance	Benchmarking of college protected characteristics statistics for staff and students	HROD, HoSE, E&D	DP	Mar-20	2018/19 Internal Audit: R4	Complete	No of indicators
Equalities	2. Compliance	Publish a map of equalities documents showing how they relate to one another	HROD, E&D	DP		2018/19 Internal Audit:		Customer satisfaction
Equalities	2. Compliance	Clarify and implement role of Equality Champions	HROD, E&D	DP	Jun-20	2018/19 Internal Audit: R7	Paused	No of Equality Champions
Equalities	2. Compliance	Review the Equality Impact Assessment (EIA) process to ensure all policies and procedures are compliant	HROD, E&D, Quality	DP	Jun-20	2018/19 Internal Audit: R8	In progress	Proportion of policies and procedures with current EIA
Equalities	2. Compliance	Embed equality actions are built into self- evaluation and operational objectives processes Direct academic team focus to courses with >25% gender gap	SMT/PPO/E&D	DP	Dec-20	2018/19 Internal Audit:	In progress	Percentage of courses >25% gender gap
Equalities			JWIT/FFU/EQD		Dec-20		In progress	recentage of courses >25% gender gap
Health & Safety	2. Compliance	Implement a workplan for 2020-2023 H&S audits	HROD	DP	Feb-20	Internal Audit: R1	Complete	No of audits completed to target
Health & Safety	2. Compliance	Conduct hazard surveys in all areas to identify missing Risk Assessments	HROD	DP	Oct-20	Internal Audit: R1	In progress	No of missing risk assessments
Health & Safety		Undertake additional risk assessment training for staff	HROD	DP		Internal Audit: R1	In progress	Percentage of staff completing cpd

Health & Safety	2. Compliance	Implement departmental health and safety reporting	HROD	DP	Jun-20	Internal Audit: R1	Complete	No of reports submitted
Health & Safety		Implement training plan for CMT members	HROD	DP	Jul-20	Internal Audit: R1	Paused	Completion rate
Health & Safety		Ensure all staff receive mandatory H&S safety training		DP	Jul-20	Internal Audit: R3		Completion rate
Health & Safety		Complete migration of mandatory training units - Mental Health and Fire Awareness to Brightspace VLE	HROD	DP	Jul-20	Internal Audit: R3		Completion rate
Policies & Procedures	3. Manual Processes	Set up SLWG looking at approval process for policies and procedures	Quality Manager/Clerk to BOM	DP	Mar-20	DP/VPEE	Partial completion	Publication of Policy and Pro
Policies & Procedures	3. Manual Processes	Review master schedule of policies and procedures	Quality Manager/CMT	DP	Jun-20	DP/VPEE	Partial completion	Percentage of out of date po procedures
Policies & Procedures	2. Compliance	Review overall number of college policies and procedures	Quality Manager/CMT	DP		DP/VPEE	In progress	Number of stand-alone polic procedures
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Communicatio ns	4. Culture	Develop a Communications Strategy for internal and external stakeholders	VPEE/ Marketing	VPEE	Aug-20	VPEE	In progress	Staff/Customer surveys
Communicatio ns	3. Manual Processes	Take forward staff Intranet Project	PPO	VPEE	Jul-20	VPEE	In progress	Customer satisfaction
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Public Sector Reporting Duties	2. Compliance	Publish annual gross carbon footprint on college website	Estates/Clerk to BOM	VPEE	Jun-20	VPEE	In progress	Decrease in gross carbon fo
Public Sector Reporting Duties	2. Compliance	Publish Modern Slavery Statement on college website	APUC	VPEE	Apr-20	VPEE	In progress/pending	Publication of statement



#### Paper 3 - Appendix A - Action Plan

Note - the Principal is the Accountable Officer for the actions contained within this Action Plan

Note – this is an update on the Action Plan dated 16 April 2020 (additions in red)

Note – this is an update on the Action Plan dated 15 May 2020 (additions in blue)

Report Ref.	Recommendation for improvement in control	Agreed Management Action / Management Comment	Responsible Officer	Agreed completion Date
2.13	Where a member of staff raises concerns that fall within the remit of the College Whistleblowing Policy that the Whistleblowing Policy is followed and that the Board is formally informed of the outcomes of the process.	Perth College UHI will ensure all policies/procedures are followed. The policy will be reviewed this year, going to F&GP for approval in May 2020 and then Board in June 2020.	Principal/Chair of Board	End June 2020 Policy/procedure has been updated and was approved by Chair of CMT (meeting cancelled), this will be considered by F&GP Committee in May and Board of Management in June 2020
2.23	Conduct a review and establish the reasons for high staff turnover in the Finance and Human Resources teams and ascertain whether any other departments or teams are in a similar situation.	A review of staff turnover will be carried out and any policy changes/lessons learned will be identified and acted upon	Head of HR & OD	End March 2020 Revised deadline of End April 2020 Proposal for this work submitted 22 April, approval given 13 May. Work will be completed by mid-June. (there maybe aspects of this work which will require access to paper files and this will be completed when possible)
2.24	Ensure that monitoring statistics on staff turnover form part of the Human Resources report to the Finance and General Purposes Committee. Additional statistics on staff turnover should also be reported so that there is transparency surrounding any departments or teams with high staff turnover.	Systems issues have been identified and are in the process of being fixed, this will remedy the problem	Head of HR & OD	End March 2020 Staff turnover now reported to each F&GP (started March 2020), additional statistics will be provided moving forward

Report Ref.	Recommendation for improvement in control	Agreed Management Action / Management Comment	Responsible Officer	Agreed completion Date
2.39	Improve processes to ensure that where potential issues are identified that could indicate control weaknesses these are formally reported (in the form of written reports) at the earliest opportunity to the Board (including through appropriate committees) and to the University as required under the Financial Memorandum. Formal investigations should be carried out to establish the facts, options for resolution presented for approval, action plans established, and implementation monitored.	All policies/ processes are subject to review as defined in our review schedule, this finding will be taken into account (GL) when individual policies/processes are reviewed as part of the cycle. Most process improvements have been highlighted in our internal auditor's report and will be addressed through the accompanying action plan.	Policy owners	As per schedule
2.40	The Board through the Audit Committee should seek assurance from the College Principal that Certificates of Assurance (including schedule of required assurances) provided to the Accountable Officer of the Scottish Funding Council to provide assurance to the Principal Accountable Officer of the Scottish Government are prepared robustly.	This requirement will form part of the process which defines the steps in concluding our accounts sign off.	Clerk to the Board of Management	At appropriate time within the Board cycle Detailed analysis of compliance in this area, including significant disclosures, provided within pages 36-45 of the 2018/19 Financial Statements. Audit Committee to review progress consistent with the Assurance Framework detailed within Scottish Public Finance Manual at 1 <sup>st</sup> Audit Committee meeting of Board cycle each year.
2.49	Management should provide timely information in the form of written papers to all relevant committees as well as the Board to enable absolute transparency surrounding issues as well scrutiny of any decisions making, or action proposed or required. The Board should be regularly provided with the management accounts and the college risk register.	This requirement will be built into our way of working going forward. The risk register is now present at multiple board committees and is updated regularly. All board papers are disseminated 1 week before the committee.	All authors of Board papers	Immediate

Report Ref.	Recommendation for improvement in control	Agreed Management Action / Management Comment	Responsible Officer	Agreed completion Date
2.55	Ensure that the requirements of the Financial Memorandum between the College and the University are communicated to all relevant staff and that that processes are implemented to ensure compliance.	An appropriate communication will be sent to all relevant staff members. For new members of staff (appropriate), this will be included in their induction.	Interim Head of Finance	End June 2020 This in progress for all Budget holders.
2.62	Ensure that the requirements established in the SFC guidance and SPFM regarding settlement agreements are implemented and complied with.	This will be implemented immediately; the Principal has undertaken the mandatory training as required by Scottish Government.	Principal	Immediate
2.66	Review, update and communicate to all staff the Financial Regulations.	This will be reviewed and training provided for all staff	Head of HR & OD/Interim Head of Finance	Start of 2020/21 Update Financial Regulations written and being reviewed and proof read. Approval process – F&GP Committee and Board at start of 2020/21 cycle
2.70	To assist in the proper operation of the finance department, financial procedures should be documented. These should provide sufficient detail of tasks, roles and responsibilities and key control processes. Procedures should be prepared in a way that readily assists and facilitates knowledge transfer to new staff.	These procedures will be reviewed with the staff in the Finance team to ensure an accurate reflection of the processes to ensure smooth handover. A more detailed induction process will also be developed for all new staff.	Vice Principal	End April 2020 Work is underway to document financial processes. Timescale revised to end July 2020.
2.71	System login details and passwords should not be recorded in procedure notes.	Note. This has now been rectified.	Interim Head of Finance	Completed
2.87	That the planned Internal Audit review of Procurement is carried out without delay to provide assurance that the College procurement processes are fit for purpose.	This forms part of the schedule of work for the current year	Principal	End July 2020 Still on target. HL have been in touch with a proposed June 2020 visit.

Report Ref.	Recommendation for improvement in control	Agreed Management Action / Management Comment	Responsible Officer	Agreed completion Date
2.88	That the Procurement Policy and Procedures as well as procedures for awarding contracts without competition are finalised and communicated to appropriate staff.	APUC have completed the draft documentation for discussion/agreement. This will now go through the Board approval process	Vice Principal	End March 2020 and End June 2020 Procurement Strategy and Policy approved at March Board. Complete Online training being created for roll-out to budget holders. End date moved to September 2020.
2.89	That processes are implemented to ensure that the requirements of the Financial Memorandum are followed. 'Any proposal to award a contract without competition (non- competitive action) must be approved, through the University, in advance by SFC. Specific delegated authority is given to award a contract without competition for £25,000 or less without advance approval'	Noted – this is incorporated in action 2.88	Interim Head of Finance	As above
2.97	The College should review its risk management processes to ensure that risk identification processes are robust. Consideration should be given to departments, teams and projects establishing processes to identify, record and report on risks that feed into the overarching college risk register.	This process has been on-going through the current year's Board cycle and will be completed and reviewed at the end of the cycle.	Clerk to the Board of Management	End of Board cycle 2019/20 All Board committees conducted initial review of own Risks within Cycle 3. Risk now a standard Agenda Item for all Board committees. System for operational committees/ departments feeding into process still under review but will be completed within agreed timescales.
2.98	The Finance and General purposes committee should also review the risk register at regular intervals.	Noted – as above	Clerk to the Board of Management	End of Board cycle 2019/20 Risk now a standard Agenda Item for all Board committees. Full Risk Register added to Agenda for May F&GP meeting (Cycle 4)

Report Ref.	Recommendation for improvement in control	Agreed Management Action / Management Comment	Responsible Officer	Agreed completion Date
2.99	The Board should regularly review the risk register and ensure that risks are being managed in accord with its risk appetite.	Noted – as above	Clerk to the Board of Management	End of Board cycle 2019/20 Risk now a standard Agenda Item for all Board committees. System for operational committees/ departments feeding into process still under review but will be completed within agreed timescales.
2.103	A robust evidence base to demonstrate compliance with the Code of Good Governance for Scotland's Colleges should be completed for scrutiny of the Audit Committee and the Board ahead of preparation of the governance statement in the annual accounts.	Noted - this will be incorporated in the accounts process for 2019/20. Process will be amended immediately	Clerk to the Board of Management/ Vice Principal	Immediate The Board Effectiveness Review has been completed in draft form and will be presented to the June Board meeting. Compliance Template on Agenda for My Audit Committee

## Comments from Perth College UHI for meeting on 13.04.20

#### Purpose of the meeting

From Perth College UHI's perspective, the aim of this meeting has to be to find a way forward which will allow the College to function in an appropriate manner whilst meeting the requirements of the UHI Court.

The College has always approached this issue and the associated issues from the EY Audit Report in a positive, open and transparent manner which would firstly, allow us to understand all of the current and historical issues and secondly, to enable us to plan and implement the required improvements. Perth College UHI's Board and SMT asked for a comprehensive audit to be undertaken and worked collaboratively with both internal and external auditors to enable this approach.

It has been more difficult to work in this way with the UHI Investigation process as our engagement with that process was limited, with the exception of the provision of documents, and this did not facilitate collegiate working in the way that we achieved with our Auditors. It is also difficult to understand how a balanced outcome could have been achieved using this limited approach despite the Perth College Principal asking for clarity of process and timelines, no information was forthcoming.

#### Context

In advance of this meeting the Chair of the Board and SMT met to discuss the issues raised in, and by this report and we feel that the context of the College is very important but not reflected in the report.

There was an inequity in the time/opportunity the complainant had to input into the process in comparison with the time/opportunity that SMT had. This was a paper exercise from our perspective with conclusions being drawn with no apparent analysis or evaluation of the operational context.

It appears that everything that was raised by the complainant was accepted as fact with Perth college SMT given no opportunity to respond to the allegations

For example:

- The accounts were not ready in time: this is true however it was the complainant job to produce them and she was untruthful to LC in an email in which she said they were nearly ready when this was not the case.
- The assumption was made that the complainant being given a final written warning led to the breakdown in the working relationship. The disciplinary sanction was for gross misconduct in relation to behaviour incompatible with Perth College values- not related to the complainant's ability to provide timely, detailed and accurate figures for SMT and the Board of Management. The two issues were distinctly separate and whilst the disciplinary process no doubt affected her mental health, it is not our understanding that the relationship had broken down, rather that she was given significant support to do her job which she failed to do.
- The allegations made in the grievance raised by the complainant appear to have been accepted without any evidence to back up/counter that assumption. In any grievance procedure, a full investigation would search for corroborative and counter claim to establish the accuracy of the original claim.
- There seems to be a willingness to believe the complainant assertions i.e. deferred income being inappropriate despite when EY's work was complete it evidenced a very small figure which was inappropriate. The assertions that the deferred income had been treated inappropriately was incorrect, EY's work identified that all income was released appropriately with a small non-material amount relating to the previous financial year.

The overall context of the institution was ignored, the culture has historically been difficult with inappropriate behaviours being tolerated e.g. McIver Tribunal and other individuals leaving because of their conduct.

SMT have actively worked with the Auditors, Internal and External to ensure that all of the issues have been identified, have moved Audit Days to the priorities identified by SMT and are now putting in place the actions required. E Y recognised the hard work, transparency and willingness of the Principal and the Vice Principal in their considerable efforts to help identify and rectify the financial issues confronting the college

#### Special Audit Meeting 11.03.20

Late provision of the accounts was the complainant responsibility and she did not deliver a core requirement of her role.

#### UHI Report 3.1

Comments:

- The Action Plan identifies the officers responsible for undertaking the activities, the Principal as the Accountable Officer is responsible for all of these actions.
- Whistleblowing issue given that the issue was appropriately directed at the Chair as the allegations were being made against SMT the Chair could not seek any internal advice therefore external legal advice was appropriate. Given the differing view of the UI Investigator (on whether this was or was not whistleblowing) was identified early in the study we have difficulty in understanding why a legal view was not sought by UHI.
- EY review of progress has been set for May 2020, this may not now be appropriate given the current circumstances, EY have proposed that this be moved further into the year.
- There is a need to understand that there are a large number of issues over a long period of time and that many of this pre-date the current Board and SMT. We have sought to bring everything to a 'head' to enable us to develop workable solutions for the long-established issues rather than an awareness of issues without the full detail. The context of the institution is important in this. Thus, our over-riding objective was to ensure we had a fully informed awareness of all the details that require positive action. The context of the institution is particularly important in this consideration
- The Board Effectiveness Review is currently being undertaken.

#### **Response to Perth College Action Plan**

Comments:

- The Principal is the Accountable Officer for all College activity including this, the delegation of these tasks was to give confidence that the appropriate professional expert would carry out the work and effect the required changes. This will be done with the Principal's oversight.
- The HR/Finance turnover, a review of this should be carried out as the context of these issues is important as it explains this issue in greater detail
- Accelerated spend, this spend was undertaken on the advice of the complainant, she wrongly identified income as being wrongly deferred and therefore it required to be spent within a defined timescale
- There is a comment in 2.40 which on further reading does not make sense, it relates to prior year correction.

Work is on-going in relation to the action plan although that has been slower over the last month as the College/Sector priority has been COVID 19 and supporting our students/staff at this very difficult time and ensuring that our students learning can continue.

In the next steps there is a reference to the Financial Memorandum – at no time has the College been advised that it is not compliant with the Financial Memorandum which is, of course, a reciprocal agreement. UHI does not provide any induction for new Principals in relation to this or other issues of the workings of the partnership.

## **Court Meeting**

Comments:

- There is a need to define 'special measures'
- Our Board recruitment exercise will commence w/b 20 April 2020 and we will seek individuals with a mix of experience but particularly with a financial background.
- There is a conflict in the view that Perth should appoint an FD as soon as possible, which we are in the process of doing, and the view from the Finance Shared Services paper where the proposal is to have one Finance Director for the Partnership. The conflict between a local FD as a member

of SMT giving strategic level finance advice for one partner and a shared resource at this level is stark.

#### **Concluding Remarks**

Perth College is an institution that encourages and welcomes constructive challenge based on data driven conclusions. We look forward to moving on with our action plan in a manner that is pragmatic and mutually acceptable to all parties, and that continues to demonstrate our proactive engagement with the improvement process. We anticipate and welcome supportive actions from the University in achieving these goals as the dialogue with SFC and other parties continues. Action notes following meeting with Perth College re Investigation

Date: 13<sup>th</sup> April 2020 (updated 20/4/20)

Present: Garry Coutts (Chair of University Court), Professor Crichton Lang (Principal and Vice Chancellor), Willie Printie (Chair of UHI Audit Committee), Brian Crichton (Chair of Perth College BOM), Margaret Cook (Principal of Perth College), Fiona Larg (Chief Operating Officer and Secretary UHI)

Item/topic	Action
Accepted that M Cook was accountable officer for all actions. Some actions may now be delayed due to limited access to some systems – revised action dates to be provided where necessary.	M Cook by 17/4/20
A joint reactive statement to be prepared in the event of press interest	F Larg to raise with Comms teams and have statement agreed by 27/4/20
Review of culture and behaviours – agreed that in the first instance Barbara Nelson of Education Scotland would provide observations to UHI on improvements she was aware of and K Lees, HR officer at Perth College would prepare a document with scope and methodology for her to carry out a review. Once received the regional strategic body (RSB) will assess whether this is sufficient or whether an external review is required.	M Cook to co-ordinate a response from B Nelson and K Lees by 27/4/20
Brian Crichton advised that the board are looking to replace 4 independent board members in the near future primarily for audit and finance committees therefore an additional board appointment not required. RSB to be satisfied on skills and experience sought in new members.	Ian McCartney to contact Roger Sendall to initiate process by 20/4/20
Board papers and minutes not available on Perth College website for board and committees. (check following meeting on 13/4 revealed no papers uploaded since June 2019 and that chairs committee papers have never been uploaded). Agreed that minutes do not need to be uploaded until approved but agendas and papers for all board and committee meetings should be uploaded timeously in line with FE governance code.	Ian McCartney to be asked to rectify by 27/4/20
Need for lessons learnt to be documented and circulated to wider partnership One particular area which should be included in the lessons learnt report is the need for formal induction for academic partner chairs and board members to ensure that key governance documents such as the financial memorandum with the regional strategic body are understood.	F Larg to create lessons learnt log on Sharepoint and to write a report once log completed by both parties – by mid - May 2020

Accelerated spend in last months of 18/19	M Cook to provide schedule of how much was spend, on what and how it was authorised by 20/4/20
A revised certificate of assurance to be provided for 18/19	F Larg to explain requirement to M Cook outwith the meeting. To be completed by 17/4/20
Concerns expressed by Brian Crichton about the methodology used by UHI's head of internal audit to conduct the investigation – he felt it was unbalanced and biased towards complainant.	Further explanation of rationale for approach to be provided – to be raised when RSB meets board
Brian Crichton does not accept that initial complaint by the former head of finance should have been dealt with as whistleblowing	Point of disagreement to be raised when RSB meets with board.
<u>Comment received from Brian Crichton following meeting:</u> I would prefer the context for my position on this to be made absolutely clear, and respectfully suggest changing to <u>"</u> <u>Consistent with the legal advice he received when the</u> <u>complainant first raised concerns Brian Crichton does not</u> <u>accept that"</u>	
Garry Coutts said that he would want to reflect further on the matter before concluding its consideration.	
Following meeting: Garry Coutts consulted with a number of members of Court including the chair of audit, other audit committee members and others with expertise in this area of governance. two themes emerged;	
1) There was a unanimous view that where board members were approached by any individual about a matter that could be viewed as whistleblowing or potential whistleblowing it should be dealt with through the whistleblowing procedure. This was the best route to ensure it was effectively dealt with and also remove the risk that that the institutions reputation be damaged through future accusations it had not dealt with the matter properly.	
2) Non-executives across the partnership should be made aware they can seek advice from the wider partnership when faced with such issues. The UHI partnership has a huge range of expertise and this should be the first point of reference where advice from the board's own executive would be inappropriate. This should be considered further and an appropriate policy developed.	
Date for RSB representatives to met with board of Perth College to be agreed	Brian Crichton to suggest possible dates

Agreed that Head of Internal Audit follows up progress on actions	Jason Thurlbeck by end of May 2020
<ul> <li>SFC agreed recommendations and next steps subject to getting clarification on: <ul> <li>Remits of audit and Finance committees of Perth College</li> <li>Informal arrangements for decision making between committee/board meetings</li> <li>Rationale for referring deferred income issue to audit committee rather than finance committee</li> </ul> </li> </ul>	M Cook to provide information by 27/4/20



## Perth College UHI

Paper 4

Committee	Board of Management
Subject	Perth College Management Accounts to 30 April 2020
Date of Committee meeting	10/06/2020
Author	Graham Little, Interim Head of Finance
Date paper prepared	20/02/2020
Executive summary of the paper	Accounts pack includes 9 Months to 30 April 2020 and Forecast to 31 July 2020
Consultation	N/A
How has consultation with partners been carried out?	
Action requested	<ul> <li>For information</li> <li>For discussion</li> <li>For recommendation</li> <li>For approval</li> </ul>
<b>Resource implications</b> (If yes, please provide details)	No
<b>Risk implications</b> (If yes, please provide details)	NO
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	



#### Perth College UHI

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
<b>Status</b> (e.g. confidential/non confidential)	Non-Confidential
Freedom of information Can this paper be included in "open" business?*	Open Business

\* 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



# Perth College UHI Board of Management Finance & General Purposes Committee

## Management Accounts 9 Months to 30<sup>th</sup> April 2020

## **OVERVIEW**

The report sets out the College Management Accounts for the period August – April 2020. The College is ahead of the budgeted I&E position to Month 9 Aug-Apr 20, reporting a positive variance against budget of £306k at the bottom line.

I&E Structure	Final Manaccs	2019/20 Actuals Apr 20 £'000	2019/20 Budget Apr 20 £'000	Budget V Actual £'000
■Income	Funding Council Grants excluding Research based	-11,804	-11,923	(119)
	Tuition Fees & Education Contracts	-2,723	-2,943	(220)
	Catering & Residences	-853	-893	(40)
	UHI Non Recurrent Income	-109	-123	(14)
	Other Income Generating Activities	-1,006	-1,120	(114)
	Research Centre Activity Income & Grant Funding	-251	-88	163
	Release of Deferred Capital Grant	-147	-147	0
	ASW & Climbing Wall	-358	-371	(12)
	Other Income	-668	-481	187
	Bursary/ Hardship Grant (Excluding Childcare)	-2,111	-1,878	233
Income Total		-20,030	-19,966	64
<b>⊟</b> Pays	Teaching Departments	8,873	8,877	3
	Teaching Support Services	1,350	1,513	164
	Administration & Central Services	1,541	1,501	(39)
	Premises	591	664	74
	Other Income Generating Activities	390	393	2
	Research Centre Activity Income & Grant Funding	213	173	(40)
	ASW & Climbing Wall	336	308	(28)
Pays Total		13,294	13,430	136
Non Pay Expenditure	Teaching Departments	569	462	(107)
	Teaching Support Services	357	349	(9)
	Administration & Central Services	1,196	1,108	(88)
	Premises	992	1,179	187
	Catering & Residences	829	861	32
	Other Income Generating Activities	172	347	175
	Interest Payable	0	11	11
	Other Expenses - Childcare	227	402	175
	Research Centre Activity Income & Grant Funding	31	14	(17)
	ASW & Climbing Wall	156	137	(19)
	Depreciation	697	697	0
	Bursary/ Hardship Grant (Excluding Childcare)	2,112	1,878	(234)
Non Pay Expenditure Total		7,339	7,445	106
Grand Total		604	910	306

## INCOME

Income is ahead of budget by £64k to Month 9 with the largest variances generated in Bursary Income £233K (this will be matched by Expenditure), Other Income £187K (which includes £96K of backdated ESIF and ELC funding not originally budgeted for), and Research £163K.

Funding Council Grants and Tuition Fees along with OIGA are under Budget to month 9, The current situation we are in with Coid-19, has resulted in an underspend against budget for Childcare Income (this will however be matched with an underspend on expenditure). Tuition Fees are under budget by (£220K), this is due to the timing of completion on delivery of modules, for Foundation Apprenticeships and Flexible Workforce Development Fund (FWDF).

A further breakdown of this can be seen in the Management Accounts Pack.

Income Steam	2019/20 Actuals Apr 20 £'000	2019/20 Budget Apr 20 £'000	Budget V Actual Apr 20 £'000
Funding Council Grants excluding Research based	-11,804	-11,923	(119)
Tuition Fees & Education Contracts	-2,723	-2,943	(220)
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Release of Deferred Capital Grant	-147	-147	0
ASW & Climbing Wall	-358	-371	(12)
Other Income	-668	-481	187
Bursary/ Hardship Grant (Excluding Childcare)	-2,111	-1,878	233
	-20,030	-19,966	64

### **OTHER INCOME GENERATING ACTIVITIES**

OIGA Area	2019/20 Actuals Apr 20	2019/20 Budget Apr 20 £'000	Budget V Actual Apr 20£'000
BMCL	-41	-85	(44)
CI	-56	-66	(10)
CI - General - Comm Activity	-2		2
HESS	-98	-85	13
EST	-507	-555	(49)
International Centre	-4	-3	1
Language School - Comm Activity	-114	-100	14
Nursery	-185	-225	(40)
	-1,006	-1,120	(114)

Total Commercial Income to Month 9 is £1,006k and is lower than that budgeted by (£114K).

Within BMCL, FSC06 Hospitality is behind budget by (£25k) while FSC09 Sport & Fitness is behind budget by (£22K). With FSC07 Business & Accounting being £4K above Budgeted figure.

EST (STEM) – FTC09 Aeronautical Engineering is the main contributor with the largest adverse variance of (£41K) against budgeted Income to Month 9.

Nursery – Income fee for students has been accrued to end of March 2020. Due to the current circumstances, projected income to July 2020 is likely to change and is currently under discussion on how to report this.

#### **RESEARCH CENTRES**

Research Income	<b>_</b>	2019/20 Actuals Apr 20 £'000	2019/20 Budget Apr 20 £'000	Budget V Actual Apr20 £'000
Higher Education - Part Time		-43	-41	2
OTHER INCOME		-59	-28	31
RESEARCH INCOME		-149	-20	130
		-251	-88	163

The Centre for Mountain Studies have generated £251k of income against a budget of £88k to Month 9. All income has now been released or accrued in line with the recent completion of two Research Projects to the end of April 2020.

## **EXPENDITURE**

#### **SALARY COSTS**

Staff Costs 🏹	2019/20 Actuals Apr 20 £'000	2019/20 Budget Apr 20 £'000	Budget V Actual Apr 20£'000
Teaching Departments	8,873	8,877	3
Teaching Support Services	1,350	1,513	164
Administration & Central Services	1,541	1,501	(39)
Premises	591	664	74
Other Income Generating Activities	390	393	2
Research Centre Activity Income & Grant Funding	213	173	(40)
ASW & Climbing Wall	336	308	(28)
	13,294	13,430	136

The financial position for the nine months to 30<sup>th</sup> April 2020 is an under spend of £136k, this is an improvement of £104k from the position reported in March. The improvement relates primarily to the historical element of the National Insurance provision, due to staff having multiple pay numbers. The settlement proposed by HMRC is lower than the provision made last year, and while the disclosure for 2019/20 is still to be made HMRC are aware that this will be made.

The position to April can be further broken down as Professional Services £147k under spend and Academic £11k overspend. It is anticipated that the forecast outturn for the year to 31<sup>st</sup> July 2020 for pay will be an underspend of c£110k.

Although the Professional Services staffing group are underspending, there are several underlying issues to be considered. The historical savings target is contributing to a cost pressure of £98k to date and on-going issues around the NI contributions to staff with multiple pay codes are being accounted for centrally at c£6k per month, albeit the element pre 2019/20 has now been quantified. This is captured in the table above under the Administration and Central Services heading.

The main areas for concern within the professional services area is ASW (£28k), this relates to the use of additional bank staff hours specifically to cover for both planned and unplanned absence. The impact of Covid-19 is still unknown however the assumption is that there will be that a significant decline in the requirement for additional Bank staff hours, however it should be noted that income has also been adversely affected. The service has also recently identified staff to be furloughed which will result in additional income to offset these COVID-19 related income reductions.

### **ADMINISTRATION & CENTRAL SERVICES**

Area	2019/20 Actuals Apr 20 £'000	2019/20 Budget Apr 20 £'000	Budget V Actual Apr 20 £'000
Central Administration	-28	-98	(70)
Development Trust	18	18	0
Finance Department	268	263	(5)
Health and Safety	29	28	(1)
Human Resources and Organisational Development	282	278	(3)
Information Systems	320	333	13
Marketing Department	84	88	3
Materials Development	79	79	1
Procurement	18	18	0
Senior Management	472	494	22
	1,541	1,501	

The Academic budget is currently £11k overspend, this includes the Research Centre Activity Income & Grant Funding (£40k overspend), however this source of funding is offset through the recovery of research income. Work with sector manages and SDDs will continue in order to review ongoing financial implication and service delivery.

The Senior Management Dept (£22k), is currently showing a significant underspend to date. This has been offset by agency fees with the true underspend being c£6k. The information services department (£13k), is also underspending and this is primarily related to savings in relation to maternity costs and no backfill costs being incurred.

## PREMISES

Premises	2019/20 Actuals Apr 20 £'000	2019/20 Budget Apr 20 £'000	Budget V Actual Apr20 £'000
Halls of Residence	1		(1)
Property - Hard Facilities Management	51	69	19
Property - Soft Facilities Management	457	485	28
Property Costs - Central	82	110	28
	591	664	74

Premises costs are currently under spending by £74k for the first nine months to April. There are two significant savings within the department, the decision to delay the appointment of a Head of Estates, which has now been filled and the operational decision not to replace the Lead Caretaker. The hard facilities management underspend is directly related to the reduced hours of technicians. Two technicians have reduced by 0.2fte and 0.4fte respectively and this under spend is anticipated to continue for the remainder of the financial year. This reduction in cost will require to be considered in conjunction with potential service delivery implications.

#### **NON-SALARY COSTS**

Non-Salary costs total (excluding Bursary) of £5,226k to Month 9, are lower than budgeted by (£341k). The table below summarises these, the largest contributors, to this underspend are OIGA (£175k), this is reflected in the income. Premises (£187k), followed by Childcare of (£175k). With Teaching Departments and Administration & Central Services both reporting overspends.

Non Staff Costs (excluding Bursary)	2019/20 Actuals Apr 20 £'000	2019/20 Budget Apr 20 Budget £'000	Sum of Budget V Actual £'000
Teaching Departments	569	462	(107)
Teaching Support Services	357	349	(9)
Administration & Central Services	1,196	1,108	(88)
Premises	992	1,179	187
ASW & Climbing Wall	156	137	(19)
Catering & Residences	829	861	32
Other Income Generating Activities	172	347	175
Research Centre Activity Income & Grant Funding	31	14	(17)
Other Expenses - Childcare	227	402	175
Interest Payable	0	11	11
Depreciation	697	697	0
	5,226	5,567	341

#### PREMISES

A further breakdown of Premises spend is included below and highlights that the slower than budgeted spend predominantly lies in "Hard Facilities Management" Costs – or planned maintenance costs with underspend to Month of £152K. This would have normally increased during the Easter and Summer breaks where the majority of maintenance works are carried out.

Premises	2019/20 Actuals Apr 20 £'000	2019/20 Budget Apr 20 £'000	Budget V Actual Apr20 £'000
Property - Hard Facilities Management	564	716	152
Property - Soft Facilities Management	70	103	32
Property - Utilities	353	353	(0)
Property Costs - Central	5	7	2
	992	1,179	187

#### **ADMINISTRATION & CENTRAL SERVICES**

In contrast to the areas of spend noted above, Administration and Central Services non pay costs exceed budget to Month 9 by (£88K) as detailed below.

Area	2019/20 Actuals Apr 20 £'000	2019/20 Apr 20 Budget £'000	Sum of Budget V Actual £'000
Central Administration	529	458	(71)
Development Trust	5		(5)
Finance Department	50	5	(45)
Health and Safety	3	15	12
Human Resources and Organisational Development	148	167	19
Information Systems	220	220	(0)
International Centre			0
Marketing Department	28	44	16
Materials Development	126	119	(8)
Personnel Department			0
Procurement	61	48	(14)
Senior Management	25	34	8
Student Services			0
	1,196	1,108	

The largest overspend against budget has been incurred in Central Administration and includes higher than expected Pension Charge of £31K, additional HISA partnership contributions not budgeted £45K.

Other overspends are from Finance this is due to Agency Fees paid at the start of the year for an Interim Financial Accountant and temporary Management Accountant £35k. Procurement – PPE costs up by (17K) against budget.

### CONCUSION

During this difficult time, the college will continue to monitor all items of income and expenditure closely to minimise the impact of COVID-19 on lost sources of revenue. In particular the focus will very much be on the salary position against budget.



## AUGUST 2019 - APRIL 2020 Management Accounts



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	PERTH COLLEGE GROUP			
	FINANCIAL STATEMENT		-	
Actual	9 MONTHS to 30th April 2020	Actual	Budget	Budget
9 MONTHS		9 MONTHS	9 MONTHS	12 MONTHS
to 30-04-2019		to 30-04-2020	to 30-04-2020	to 31-07-2020
	INCOME	£000's	£000's	£000's
10,892	Funding Council Grants excluding Research based	11,804	11,923	15,897
2,759 915	Tuition Fees & Education Contracts Catering & Residences	2,723 853	2,943 893	3,924 1,190
0	European Income	0	0	0
106 1,078	UHI Non Recurrent Income Other Income Generating Activities	109 1,006	123 1,119	164 1,493
125	Research Centre Activity Income &Grant Funding	251	89	118
147 350	Release of Deferred Capital Grant ASW & Climbing Centre Income	147 358	147 371	196 494
712	Other Income	668	481	641
17,085	INCOME SUB TOTAL	17,919	18,087	24,118
1,958	Bursary/ Hardship Grant(Excluding Childcare)	2,111	1,877	2,503
19,042		20,030	19,965	26,621
	EXPENDITURE			
7,900	Staff Costs Teaching Departments	9,156	8,876	11,835
1,095	Teaching Support Services	1,067	1,514	2,018
1,496	Administration & Central Services	1,541	1,502	2,002
0 635	Restructuring costs Premises	0 601	0 665	0 886
331	ASW & Climbing Centre	326	308	411
453 182	Other Income Generating Activities Research Centres	391 213	393 173	524 231
182	TOTAL STAFF COSTS	13,294	13,430	17,907
	Non Staff Costs		-	
553	Teaching Departments	569	462	616
304	Teaching Support Services Administration & Central Services	358	349 1,108	465 1,477
1,127 749	Premises	1,197 992	1,108	1,477
189	ASW & Climbing Centre	156	137	183
936 281	Catering & Residences Other Income Generating Activities	829 172	861 347	1,148 462
24	Research Centres	31	14	18
288 0	Other Expenses - Childcare Student Support Funds Overspend (incl. Childcare)	227	402 0	536 0
11	Interest Payable	0	11	15
697	Depreciation	697	697	929
5,158 0	NON STAFF COSTS SUB TOTAL LESS:Reduction in Early Retirement Pension Provision	5,228 0	5,566 0	7,421 0
5,158	TOTAL NON STAFF COSTS	5,228	5,566	7,421
17,249	EXPENDITURE SUB TOTAL	18,522	18,996	25,328
1,958	Bursary/ Hardship Payments (Excluding Childcare)	2,111	1,878	2,504
19,207	TOTAL EXPENDITURE	20,633	20,874	27,832
(164)	COLLEGE SURPLUS/(DEFICIT)	(604)	(909)	(1,212)
0	PROFIT/(LOSS)CONTRIBUTION FROM A.S.T.	0	0 O	0
(1.5.1)	EFFICIENCY SAVING	0	0	0
(164)	TOTAL GROUP SURPLUS/DEFICIT(-)	(604)	(909)	(1,212)
163	REVALUATION DEPRECIATION ADD BACK	0	0	0
			-	
(1)	Group Historical Cost Surplus/( Deficit) for the Period	(604)	(909)	(1,212)
0	Less: Transfers to ALF	0	0	0
(1)	Amount to be transferred to retained earnings	(604)	(909)	(1,212)

PERTH COLLEGE		
BALANCE SHEET		
as at 30th April 2020	AS AT 30/04/2020 £000	AS AT 30/04/2019 £000
FIXED ASSETS TANGIBLE ASSETS INVESTMENTS	35,608 20	36,375 20
CURRENT ASSETS STOCKS DEBTORS CASH AT BANK AND IN HAND AMOUNTS DUE FROM SUBSIDIARY COMPANY	35,628 24 1,851 2,120 0	36,395 30 1,699 2,114 0
CREDITORS:AMOUNTS DUE WITHIN ONE YEAR BANK TERM LOAN TRADE CREDITORS OTHER TAXATION AND SOCIAL SECURITY OTHER CREDITORS ACCRUALS AND DEFERRED INCOME DEFFERED INCOME - CAPITAL GRANT UNSPENT STUDENT SUPPORT FUNDS AMOUNTS DUE TO SUBSIDIARY COMPANY	3,996 0 105 328 347 3,831 66 0 4,676	3,843 0 293 321 171 5,215 50 0 0 0 0
NET CURRENT ASSETS/(LIABILITIES)	(680)	(2,207)
TOTAL ASSETS LESS CURRENT LIABILITIES	34,947	34,188
CREDITORS:AMOUNTS DUE AFTER MORE THAN ONE YEAR PROVISION FOR LIABILITIES AND CHARGES / DEFERRED GRANT LOANS	5,512 0	5,412
NET ASSETS Excluding Pension Liability	29,436	28,776
Pension Liability	5,683	2,883
NET ASSETS Including Pension Liability	23,752	25,892
REPRESENTED BY:		
REVALUATION RESERVES INCOME & EXPENDITURE ACCOUNT PENSION RESERVE	17,645 11,791 (5,683)	17,786 10,990 (2,883)
TOTAL RESERVES	23,752	25,892
TOTAL	23,752	25,892

0

0

	PERTH COLLEGE					
	GRANTS		-	9		
	GRANTS			9		
2019-20	ACTUAL V BUDGET		2019-2020	2019-2020	2019-2020	ACTUAL V BUDGET
9 MONTHS	to 30-04-2020	CODE	9 MONTHS	9 MONTHS	12 MONTH	VARIANCE
ACTUAL		CODE	ACTUAL	BUDGET	BUDGET	+/(-)
5,671,985	FE MAIN RECURRENT GRANT		£6,346,808	£6,346,808	£8,462,411	0
0	FE LUPS	123	£112,500	£112,500	£150,000	0
5,671,985			£6,459,308	£6,459,308	£8,612,411	0
4,664,062	HE MAIN RECURRENT GRANT	108	£4,800,057	£4,797,182	£6,396,242	2,875
-75,750	MICRORAM		-£216,000	-£216,000	-£288,000	0
288,242	CHILDCARE	524	£226,749	£402,077	£536,103	(175,328)
19,792	ADDITIONAL ESOL GRANT FUNDING	148	£0	£15,000	£20,000	(15,000)
17,250	UHI KNOWLEDGE TRANSFER		£4,167	£0	£0	4,167
6,000	EMA ADMIN SUPPORT & OTHER SUNDRY GRANTS	121	£7,650	£6,000	£8,000	1,650
	MENTAL HEALTH COUNCELLORS FUNDING FROM UHI	20	£22,500	£0	£0	
0	ESTATES GRANT RELEASE - F.E.	386	£0	£0	£0	
4,644	FE Funding Sanitory Products 18-19 - B801010.EPC15	613	£6,360	£0	£0	6,360
175,284	FE CAPITAL Maintenance Back log B801010 EPC01 387	387	£265,367	£255,563	£340,751	9,804
0	UHI Estate Grant HE B801010.EPC01	132	£160,274	£153,593	£204,791	6,681
0	ESTATES CAPITAL FORMULA FUNDING	389	£67,286	£50,304	£67,072	16,982
120,489	ESTATES CAPITAL FORMULA FUNDING	388	£0	£0	£0	
0	ESTATES GRANT RELEASE - H.E.	385	£0	£0		0
0	ESTATE GRANT RELEASE - ADDITIONAL MAINTENANCE - F.E.	381	£0	£0	£0	0
0	ESTATES GRANT RELEASE - H.E.	379	£0	£0	£0	0
0	ESTATE GRANT RELEASE - ADDITIONAL MAINTENANCE - H.E.	382	£0	£0	£0	0
10,891,998			£11,803,719	£11,923,028	£15,897,370	(141,809)
0	LESS:UHI FUNDING SHOWN UNDER RESEARCH		£1	£0_	£0	1
10,891,998	PER ACCOUNTS		£11,803,718	£11,923,028	£15,897,370	(141,810)
	UHI NON RECURRENT			_		
103,547	PL & Module Unit Payments (Excluding Research Centres)	U26 & U41	£103,926	£103,925	£138,567	0
2,258	EXAM BOARD	U11	£4,600	£4,500	£6,000	100
0	OTHER	U03/U23/U25	£0	£0	£0	0
	CIAF College Innovation Fund	U04 114	£0	£15,000	£20,000	
105,805			£108,526	£123,425	£164,567	100
0	LESS:COURSE MANAGEMENT SHOWN UNDER RESEARCH		£0	£0	£0	0
105,805	PER ACCOUNTS		£108,526	£123,425	£164,567	100
				_		
10,997,803			£11,912,243	£12,046,453	£16,061,937	(141,709)

PERTH COLLEGE		_		
ESTATES /CAPITAL GRANT RELEASE - 2019-20				
MAKE UP OF FIGURES		2019-20	EXPENDITURE	COVERED
		ORIGINAL	April 2020	BY GRANT
	CODE	BUDGET	ACCOUNTS	RELEASE
Planned Building Maintenance etc	B 201001 EPC15	£612,614	£210,431	£210,431
			•	
FURNITURE BIDS	B 201001 EPC15 617	£0	£8,186	£8,186
Sanitory Products	B201001.EPC15 613	£0	£6,360	£0
Environmental Sustainability	B 201001 EPC15 619	£0	£343	£343
		_		
Brahan Refectory Furniture	B 201001 EPC15 620	£0		£0
Summer Refurbishments	B 201001 EPC15 626	£0	£75,840	£75,840
Asbestos Removal	B 201001 EPC15 625	£0	£1,148	£1,148
Maintenance of Academic Equipment	B 201001 EPC15 635	£0	£13,066	£13,066
Carbon Management	B 201001 EPC15 652	£0		£0
Consultancy & Feasibility Studies	B 201001 EPC15 654	£0	£13,028	£13,028
			, i	,
Condition Survey Programme	B 201001 EPC15 655	£0		£0
Fire Upgrade Works	B 201001 EPC15 656	£0	£8,809	£8,809
Legionella Works	B 201001 EPC15 691	£0	£7,392	£7,392
Lift Replacement	B 201001 EPC15 581	£0	£0	£0
•		_		
Sub Total		£612,614	£344,603	£338,243
ACADEMIC EQUIPMENT Curriculum RAG	B 702005 Various	£0	£0	£0
SOFTWARE	B 302051 BMI01	£15,000	£9,596	£9,596
Sub Total		£15,000	£9,596	£9,596
Total		£642,614	£354,199	£347,839
ALLOCATION TO PLANNED MAINTENANCE	B 201002 EPC15	£100,000	£50,890	£50,890
ALLOCATION TO UNPLANNED MAINTENANCE	B 201003 EPC15	£130,000	£94,197	£94,197
REVENUE EXPENDITURE FUNDED OUT OF ESTATES GRANT		£872,614	£499,286	£492,926
		£872,614	£499,286	£492,926
L		10,2,014	1-33,200	_ 132,320

	PERTH COLLEGE			
				-
	TUITION FEE SUMMARY		9	
ACTUAL	9 MONTHS to 30th April 2020	ACTUAL	BUDGET	BUDGET
9 MONTHS		9 MONTHS	9 MONTHS	12 MONTHS
to 30-04-2019		to 30-04-2020	to 30-04-2020	to 31-07-2020
2,921,251	H.E.FULL TIME	2,758,936	2,190,736	2,920,981
251,188	H.E.PART TIME	362,855	79,324	105,765
105,505	F.E.PART TIME	67,176	22,500	
138,670	EVENING NON VOCATIONAL	28,397	51,838	69,117
0	CENTRAL ADMIN	0	0_	0
36,377	OPEN/DISTANCE LEARNING Highers	14,052	3,750	5,000
0	OPEN ACCESS	0	0	0
-972,936	MONTH END ACCRUAL ( PREPAYMENT)	-883,269		
		2,348,147	2,348,147	3,130,863
		_	_	
69,017	SKILLSEEKERS (Managing Agents)	88,885	78,000	104,000
178,625	TRAINING AGENCY - Mod Appr	123,762	135,000	180,000
20,138	SDS/Foundation Apprenticeships	106,475	278,884	371,845
0	Employability (Ready to Work)	0	0	
11,048	Flexable Workforce Dev Fund	55,770	102,938	137,251
2,758,881		374,892	<mark>0</mark> 594,822	793,096

	PERTH COLLEGE			_	_
				9	_
	INTERNATIONAL FEE SUMMARY			9	-
ACTUAL	9 MONTHS to 30th April 2020		ACTUAL	BUDGET	BUDGET
9 MONTHS			9 MONTHS	9 MONTHS	12 MONTHS
to 30-04-2019			to 30-04-2020	to 30-04-2020	to 31-07-2020
	UNDERGRADUATE			-	—
				_	
3,000	Early Education Childcare	FSC03	0	0	0
9,675	Social Sciences	FSC04	5,141	13,879	18,505
5,675		10004			
4,198	Hospitality	FSC06	0	12,458	16,610
1,875	Business and Accounting	FSC07	11,107	6,750	9,000
1,075		F3C07	11,107	0,750	5,000
0	Computing	FSC08	0	5,141	6,855
	Consult and Filman				_
0	Sport and Fitness	FSC09	0	0	0
9,750	Music and Music Business	FTC02	10,789	13,016	17,355
41,250	- Zhoukou	FTC02 867	37,125	41,250	55,000
6,750	Art and Creative Technologies	FTC03	1,875	7,016	9,355
0,750		FICUS	1,075	7,010	
7,380	Sound and Audio Engineering	FTC04	5,141	5,141	6,855
	<u>.</u>				_
	Science	FTC08	8,400	11,280	15,040
54,433	Aeronautical and Aircraft Engineering	FTC09	60,962	118,016	157,355
0	- Zhenghou International Centre	FIC01 880	0		
0	- Zhenghou - Chenjdu	FTC09 880 FTC09 873	54,050 0	38,813 0	<u>51,750</u> 0
Ŭ	- chenjuu	11005 873			_
0	Electrical and Mechanical Systems	FTC10 842	0	0	
179,606	- Hunan	FTC00 842	231,636	238,500	318,000
143,475	- HUUC - Kuwait	FTC00 868 FTC00 789	113,625	106,875 0	142,500
				0	
				_	_
461,392	Total Undergraduate		539,851	618,135	824,180
101,002				010,100	024,200
				_	
	POST GRADUATE			-	
6,551	Management	FSC05	0	1,500	2,000
0	~	FIC01 L65	0		
				-	_
6,551	Total Post Graduate		0	1,500	2,000
0,001				1,500	2,000
	TOTAL		539,851	619,635	826,180

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9 MONTHS	STUDENT RESIDENCES	9 MONTHS	9 MONTHS	12 MONTHS
ACTUAL		ACTUAL	BUDGET	BUDGET
to 30-04-2019		to 30-04-2020	to 30-04-2020	to 31-07-2020
	INCOME			
£227,551	RENTAL INCOME	£233,955	£225,000	£300,000
£21,689	SUMMER LETS	£19,386	£45,000	£60,000
£2,550	SUNDRY INCOME	£2,036	£1,875	£2,500
£251,790	TOTAL INCOME	£255,377	£271,875	£362,500
	EXPENDITURE			
	PLANNED MAINTENANCE	£0	£0	£0
£23,942	UNPLANNED MAINTENANCE	£12,904	£18,000	£24,000
	ELECTRICITY, WATER & GAS	£16,168	£15,319	£20,425
	WARDEN SALARIES	£0	£0	£0
	EQUIPMENT/MATERIALS/HOSPITALITY	£4,009	£2,250	£3,000
	BANK CHARGES	£15	£0	£0
	Contract Cleaning of Halls	£8,475	£8,475	£11,300
	SUB CONTRACTED SERVICES - SYHA	£115,398	£115,398	£153,864
	AGENTS COMMISSION	£26,250	£26,250	£35,000
· · · · · · · · · · · · · · · · · · ·	TOTAL EXPENDITURE	£183,219	£185,692	£247,589
£55,615	SURPLUS / (DEFICIT) before Depreciation and Interest	£72,158	£86,183	£114,911
£64,625	DEPRECIATION	£64,607	£64,625	£86,166
	LOAN INTEREST	£0	£0	0£
			£0	
-£9,010	SURPLUS / (DEFICIT) after Depreciation and Interest	£7,551	£21,559	£28,745
	CATERING	9 MONTHS	9 MONTHS	12 MONTHS
	CATEMING	ACTUAL	BUDGET	BUDGET
		to 30-04-2020	to 30-04-2020	to 31-07-2020
	INCOME	10 50 04 2020	10 50 04 2020	
£140,808	ΒΡΔΗΔΝ	£122,011	£143,573	£191,431
	GOODLYBURN	£269,822	£275,243	£366,991
£216,872		£205,410	£200,549	£267,399
	TOTAL INCOME	£597,243	£619,366	£825,821
1003,020		1357,243	1015,500	1025,021
	EXPENDITURE			
6220 622	PRALLAN	(150.330	C3F0 500	C224.000
£239,628		£159,220	£250,500	£334,000
	GOODLYBURN	£281,038	£285,293	£380,390
£200,342	TOTAL EXPENDITURE	£205,893	£138,974 £674,767	£185,299
/39,393		£646,151	10/4,/6/	£899,689
_ 675 767	OPERATING SURPLUS / (DEFICIT)	-£10 000	_EEE 401	-£73,868
-1/3,/0/		-£48,908	-£55,401	-1/3,808

PERTH COLLEGE		_	-	_		_			_		_	_
OTHER INCOME GENERATING ACTIVITIES					_							-
SUMMARY BY FACULTY/UNIT			-		_	9						-
YEAR TO 30th April 2020			EXPENDITURE	CONTRIBUTION		INCOME	EXPENDITURE	CONTRIBUTION	INCOME	EXPENDITURE	CONTRIBUTION	CONTRIBUTION
To 30th April 2020		BUDGET	BUDGET	BUDGET		BUDGET	BUDGET	BUDGET	ACTUAL	ACTUAL	ACTUAL	ACTUAL
		YEAR TO	YEAR TO	YEAR TO		9 MONTHS	9 MONTHS	9 MONTHS	9 MONTHS	9 MONTHS	9 MONTHS	9 MONTHS
FACULTY		31-07-2019	31-07-2019	31-07-2019		30-04-2020	30-04-2020	30-04-2020	30-04-2020	30-04-2020	30-04-2020	30-04-2019
BMCL		<b>113,345</b>	54,500	58,845		85,009	40,875	44,134	40,634	35,265	5,369	17,989
STEM		740,645	160,532	580,113		555,484	120,399	435,085	506,565	62,328	444,237	354,494
CI		88,565	16,000	72,565		66,424	12,000	54,424	57,730	6,207	51,523	52,181
HESS		113,505	14,000	99,505		85,129	10,500	74,629	97,988	10,644	87,344	93,496
NURSERY		300,000	397,757	(97,757)		225,000	298,318	(73,318)	184,820	272,614	(87,794)	(40,750)
INTERNATIONAL RECRUITMENT - FEES	FIC 01	4,000	334,597	(330,597)	_	3,000	250,948	(247,948)	4,066	148,639	(144,573)	(187,108)
INTERNATIONAL RECRUITMENT - ACCOM.	FIC01.L01/5	o	0	O		0	0	0	0	0	0	(3,649)
Sub Total		1,360,060	977,386	382,674		1,020,045 0		287,006	891,803	535,697	356,106	286,653
			-		_	_	0 0		-			-
LANGUAGE SCHOOL - Commercial Income		132,940	9,000	123,940		99,705	6,750	92,955 Not	114,148	26,961	87,187	59,898
Grand Total		1,493,000	986,386	506,614		1,119,750	739,790	379,961	1,005,951	562,658	443,293	346,551
				506,614				379,961		_	443,293	_
		Note 1 - In the c	urrent vear all teach	ing delivery costs have been	charge	d through the fu	nded cost centre (Al	S01) No transfer of teach	ing	-	-	-
				d cost centre (ALS01) to the								
												0
		In addition to No	o <mark>te 1 above there m</mark> a	a <mark>y be other expenditure incu</mark> r	rred i <mark>n</mark>	relation to com	mercial activity that is	s not charged through the	e commercial cost			
		centres due to t	h <mark>e difficulty in accu</mark> r	a <mark>tely splitting these costs ou</mark> t	t	_				_		_
Comparatives to 30th April 2019									1,078,233	731,682	346,551	

PERTH COLLEGE			_	_			_			
INCOME & EXPENDITURE SUMMARY SHEET	-	-	_	-	_			-		
RESEARCH CENTRES		- -		9	-			-		
To 30th April 2020	INCOME	EXPENDITURE	CONTRIBUTION	INCOME	EXPENDITURE	CONTRIBUTION	INCOME	EXPENDITURE	CONTRIBUTION	
	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	BUDGET	ACTUAL	ACTUAL	ACTUAL	ACTUAL
	YEAR TO	YEAR TO	YEAR TO	9 MONTHS	9 MONTHS	9 MONTHS	9 MONTHS	9 MONTHS	9 MONTHS	9 MONTHS
	31-07-2020	31-07-2020	# 31-07-2020	31-03-2020	31-03-2020	31-03-2020	31-03-2020	31-03-2020	31-03-2020	31-03-2019
CENTRE FOR MOUNTAIN STUDIES	117,820	249,370	(131,550)	88,365	187,028	(98,663)	250,993	243,826	7,167	(80,081)
CENTRE FOR CULTURE, HERITAGE & TOURISM	o	0	0	0	0	0	0	0	o	<b>o</b>
CENTRE FOR RURAL CHILD	0	0	0	0	0	0	0	0	0	
CENTRE FOR ALZHEIMERS RESEARCH	o	0	0	0	0	0	0	0	0	<b>o</b>
TOTAL RESEARCH	117,820	249,370	(131,550)	 88,365	187,028	(98,663)	250,993	243,826	7,167	(80,081)
			_				_		_	
SURPLUS / (DEFICIT) AT 30th April 2019							125,305	205,386	(80,081)	

	PERTH COLLEGE			
	BREAKDOWN OF 'OTHER INCOME'			
	9 MONTHS to 30th April 2020			
9 MONTHS		9 MONTHS	9 MONTHS	12 MONTHS
to 30-04-2019 ACTUAL		to 30-04-2020 ACTUAL	to 30-04-2020 BUDGET	TO 31-07-2018 BUDGET
				-
1,115	HIRE OF ACCOMMODATION	£434	£0	£0
24,037	LIBRARY	£8,791	£12,750	£17,000
45,636	SCHOOLS DIRECT	£45,518	£45,750	£61,000
3,251	LEARNING TECHNOLOGY CENTRE	£0	£0	£0
11,332	CENTRAL ADMIN/FINANCE/MIS	£103,395	£0	£0
23,183	ACADEMIC CENTRAL ADMIN	£272	£0	£0
2,688	EXAM FEES	£0	£0	£0
35,824	SECONDMENT SALARY RECHARGES	£91,543	£101,250	£135,000
22,500	RECHARGES TO UHI	£2,333	£26,250	£35,000
38,390	COMMUNITY DEVELOPMENT/SVS PROJECTS	£19,544	£0	£0
3,889	NEW OPPORTUNITIES	£700	£0	£0
24,938	ADULT LITERACY PROJECT - 470	£26,883	£27,750	£37,000
365	SUNDRY INCOME & PROJECTS / STUDENTS UNION	£510	£0	£0
21,237	SALES OF BEAUTY THERAPY KITS	£19,654	£7,500	£10,000
9,480	CURR DEV FUND L & T PROJECTS - DSYW	£4,600	£0	£0
0	H.I.T.SCOTLAND BURSARY AWARDS	£0	£0	£0
64,890	PROPERTY	£3,299	£0	£0
-246	APUC Fees from Partners	£541	£0	£0
12,846	PROPERTY CAR PARKING	£10,669	£37,500	£50,000
13,648	PRIZEGIVING / GRADUATION	£12,498	£9,000	£12,000
7,984	INTEREST RECEIVED	£6,230	£0	£0
3,878	ABD07 / WEE Centre Project	£3,425	£7,500	£10,000
76	H.R.& STAFF DEVELOPMENT	£3,038	£0	£0
342	STUDENT SERVICES	£8,372	£0	£0
48,246	STUDENT SUPPORT - ELS	£65,601	£22,500	£30,000
-5,303	LEARNING CENTRES	£0	£0	£0
97,591	CURRICULUM OTHER INCOME	£53,586	£76,500	£102,000
46,075	Essential Student Equipment - Bursary Funded	£42,233	£14,250	£19,000
90,558	MANAGEMENT CHARGE TO AST	£75,000	£75,000	£100,000
30,537	TCI - Other Income	£13,215	£11,250	£15,000
8,827	Conference & Hospitality Services	£14,847	£0	£0
5,333	Materials Development	£4,502	£0	£0
0	DONATION FROM AST	-£14,669	£0	£0
11,980	Sale/Purchase of Books	£9,312	£0	£0
428	Development Trust	£3,068	£0	£0
4,622	CREATIVE IND BURSARY FUND	£3,111	£6,000	£8,000
	Electric Car	£26,298	£0	£0
710,176		£668,351	£480,750	£641,000

	PERTH COLLEGE		_	9	-
9 MONTHS ACTUAL to 30-04-2019	ANALYSIS OF PROPERTY COSTS		9 MONTHS ACTUAL to 30-04-2020	9 MONTHS BUDGET to 30-04-2020	12 MONTHS BUDGET 31-07-2020
£134,664	PLANNED BUILDING PROJECTS		£344,603	£459,461	£612,61
£75,383	PLANNED MAINTENANCE		£50,890	£75,000	£100,00
£77,385	UNPLANNED MAINTENANCE	EPC15	£94,197	£97,500	£130,00
£0	UNPLANNED MAINTENANCE -Acad Equip		£1,440	£750	£1,00
£2,346	CAR PARK REPAIRS AND MAINTENANCE		£416	£21,630	£28,84
9,188	CATERING COSTS		£1,416	£5,250	£7,00
£17,023	GROUND UPKEEP		£16,531	£19,500	£26,00
£179,223	ELECTRICITY		£192,986	£201,443	£268,59
£64,610	GAS	EPC17	£69,071	£52,369	£69,82
£55,009	RATES	EPC17	£62,417	£70,875	£94,50
£0	RATES - REBATE		£0	£0	£
£20,421	WATER METERED RATES	EPC17	£28,761	£28,500	£38,00
£7,796	CLEANING EQUIPMENT	EPC16	£13,132	£13,905	£18,54
£16,374	JANITORIAL SUPPLIES	EPC16	£18,255	£20,085	£26,78
£4,914	PROPERTY SECURITY	EPC15	£6,448	£12,000	£16,00
£49,855	HIRE OF SKIPS	EPC15	£50,007	£47,250	£63,0
£0	Hire of Portacabins	EPC01	£0	£0	-
£2,530	SUPPLIES & SERVICES ETC.	EPC01	£2,386	£5,625	£7,50
£18,010	TRANSPORT HIRE/TRAVEL	EPC16	£17,085	£27,038	£36,05
£3,381	Vehicle Maintenance		£3,947	£6,180	£8,24
_	Vehicle Maintenance Electric Car		£8,093		-
£0	Insurance Claims		£0	£750	£1,00
£10,501	CAR PARK MANAGEMENT		£10,253	£13,905	£18,54
748,613	PER BOARD ACCOUNTS - NON STAFFING COSTS		£992,334	£1,179,014	£1,572,01
			_		
£106,893	ADMIN SALARIES		£82,300	£110,401	£147,20
£67,523	TECHNICIAN SALARIES		£50,634	£69,177 *	£92,23
£221,140	CARETAKERS SALARIES		£209,914	£229,607	£306,14
£236,545	CLEANERS SALARIES		£246,597	£255,212	£340,28
632,101	PER BOARD ACCOUNTS - STAFFING COSTS		£589,445	£664,397	£885,86

H COLLEGE		9	_	
YSIS OF International Activity	9 MONTHS	9 MONTHS		ACTUAL V
	ACTUAL	BUDGET	BUDGET	BUDGET
	to 30-04-2020	to 30-04-2020	31-07-2020	VARIANCE
-	10 30-04-2020	10 30-04-2020	51-07-2020	VARIANCE
a				
ne (attal)				
- Partners (China)	£436,436	£426,938	£569,250	9,499
r Income HIE				
Total Income	£436,436	£426,938	£569,250	9,499
nditure				
	_		_	
	-		_	
ning - (China)	£4,453	£0	- £0	4,453
agement	£0	£0	£0	4,455
Total Staff	£4,453	£0 £0	£0	4,453
i otai staii	14,433	10	10	4,433
Staff	—	-		
lies & Services - China	£22,875	£19,050	£25,400	3,825
el - China	£27,706	£45,675	£60,900	(17,969)
ts Commission		£0	£0	(17,505)
bership fees & Subscriptions	£0	£0		0
Total Non Staff	£50,581	£64,725	£86,300	(14,144)
		,		
	_	-		
ATING SURPLUS / (DEFICIT)	£381,402	£362,213	£482,950	19,190
	_			
r International				
ne				
- Students	103,415	£194,933	259,910	(91,518)
- Summer School	33,865	£24,600	£32,800	9,265
- Language School	80,283	£72,705	£96,940	7,578
ences - Host Family	0			0
r Income	4,066	£3,150	£4,200	916
Total Income	£221,629	£295,388	£393,850	(73,759)
nditure				
ning - (Others)		£0	<b>£0</b>	0
ner School	£3,706	£0	£0	3,706
n Salaries - International Centre	£110,218	£105,823	£141,097	4,395
uage School	£5,055	£0	<b>6</b>	5,055
Total Staff	£118,979	£105,823	£141,097	13,156
		_		
<u>Staff</u>				
ences Costs - Host Family				0
lies & Services	£2,145	£100,875	£134,500	(98,730)
lies & Services - Summer School	£2,678	£0	0 <u>+</u>	2,678
lies & Services - Language School	£4,326	£3,750	£5,000	576
	£18,418	£35,250	£47,000	(16,832)
Debt		£3,750	£5,000	(3,750)
rtising - India	0 <u>1</u>	£2,250	£3,000	(2,250)
rtising - Other Overseas	£1,080	£2,250	£3,000	(1,170)
bership fees & Subscriptions	£9,278	£7,500	£10,000	1,778
ts Commission Total Non Staff				11,196
i otal Non Staff	152,8/1	1159,375	1212,500	(106,504)
	_	-	_	
		nmission £14,946	nmission <u>£14,946</u> £3,750	nmission£14,946£3,750£5,000

	PERTH COLLEGE		9	
0 MONTUS				
9 MONTHS ACTUAL	ANALYSIS OF ASW	9 MONTHS ACTUAL	9 MONTHS BUDGET	12 MONTHS BUDGET
to 30-04-2019	ASW	to 30-04-2020	to 30-04-2020	31-07-2020
	Income			
£58,509	Sports Hall Income	£53,091	£57,750	£77,000
£9,907	Gym Income	£10,837	£138,750	£185,000
£659	Gym Income Other	£2,982		£0
£811	Hire of Rooms	£350	£0	£0
£6,397	Other Income	£1,794	£39,750	£53,000
£0 £1,410	Events Income Other Income Fitness services	£0 	£5,250 £0	£7,000 £0
£58	Other Income Fitness Services	£1,962 £19	£0	£0 £0
£0	Other Income ASW Sports Clinic	£2,382	£0	£0
£0	Other Income Merchandising Shop	£1,469	£0	£0
£48,451	Membership - Students	£44,448	£0	£0
£78,145	Membership - Commercial	£109,083	£0	£0
£12,100	Membership - Staff	£12,332	£0	<u>£0</u>
£216,447	Total Income	£240,748	£241,500	£322,000
				-
624.0 470	Pay Expenditure		(202.102	
£210,479	Admin Salaries External Instructors	£212,041	£202,493	£269,991
£210,479		£6,051 £218,092	£3,750 £202,493	£5,000 £274,991
1210,475		1210,092	1202,495	1274,591
	Non Pay Expenditure		-	
£13,635	Planned Maintenance	£6,444	£6,000	£8,000
£13,914	Unplanned Maintenance	£14,222	£0	£0
£48,249	Electricity	£42,718	£39,375	£52,500
£7,277	Gas	£6,137	£7,875	£10,500
£0	Rates	£0	£0	£0
£0	Water Meter	£0	£0	£0
£2,011	Cleaning Equipment	£2,252	£0	£0
£0	Janitorial Supplies	£414	£0	£0
£3,928	Hire of Skips	£3,737	£0	£0
£10,825 £0	Supplies & Services Supplies & Services OP Plan 006	£16,430 £0	£12,750 £0	£17,000 £0
£186	Supplies & Services Events	£324	£0	£0
£0	Supplies & Services Sports Clinic	£102	£0	£0
£0	Supplies & Services UHI Merchandising Shop	£6,896	£0	£0
£70,113	Equipment Rental	£39,883	£43,500	£58,000
£4,507	Copright Charges	£0	£0	£0
£7,024	Computer Maintenance Agreements	£7,231	£11,250	£15,000
£480	Travel	£418	£1,500	£2,000
£1,048	Marketing	£2,623	£3,750	£5,000
£183,197	Total Expenditure	£149,831	£126,000	£168,000
				-
-£177,231	OPERATING SURPLUS / (DEFICIT)	-£127,175	-£86,993	-£120,991
	Climbing Centre			-
	Income			
£99,739	Climbing Centre Income	£85,043	£112,500	£150,000
£7,011	Hire of Equipment	£6,737	£3,750	£5,000
£0	Other Income	£0	£11,250	£15,000
£22,837	Other Income NICAS	£21,649	£0	£0
£839	Membership Fees - Students	£880	£0	0 <u>1</u>
£2,954 £0	Membership Fees - Commercial Membership Fees - Staff	£3,324 £20	£1,500 £0	£2,000 £0
£133,380	Total Income	£117,653	£129,000	£172,000
,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,			,	
	Pay Expenditure			
£120,374	Salaries	£118,252	£102,217	£136,289
£120,374		£118,252	£102,217	£136,289
	Non Pay Expenditure			
£4,982	Equipment/Materials	£6,504	£9,000	£12,000
£1,055	Equipment/Materials NICAS	-£438	£0	£0
£0	Equipment Rental	£0	£0	<u>£0</u>
£140	Marketing Total Europediture	£400	£2,250	£3,000
£6,177	Total Expenditure	£6,466	£11,250	£15,000
			-	
6,829	OPERATING SURPLUS / (DEFICIT)	-£7,065	£15,533	£20,711
0,010		-17,003	210,000	



## Perth College UHI

## Paper No.5

Committee	Board of Management
Subject	Perth College Mid-Year Return 2019-20
Date of Committee meeting	10/06/2020
Author	Henry Nicholson, Financial Accountant
Date paper prepared	20/07/2020
Executive summary of the paper	The paper sets out the College's Mid-Year Return for 2019/20 in line with updated underlying assumptions. Paper includes detailed narrative in addition to financial information.
<b>Consultation</b> How has consultation with partners been carried out?	N/A
Action requested	□ For information only
	□ For discussion
	□ For recommendation
	⊠ For approval
Resource implications	<del>Yes</del> / No
(If yes, please provide details)	
Risk implications	Yes/ <del>No</del>
(If yes, please provide details)	Failure to deliver this outturn will put the College's financial sustainability at risk.
Link with strategy	Consistent with the College's overall financial strategy.



## Perth College UHI

<ul> <li>Please highlight how the paper links to the Strategic Plan, or assist with:</li> <li>Compliance</li> <li>National Student Survey</li> <li>partnership services</li> <li>risk management</li> <li>other activity [e.g. new opportunity] – please provide further information</li> </ul>	
Equality and diversity	<del>Yes</del> / No
Yes/ No If yes, please give details:	
Island communities	<del>Yes</del> / No
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)?	If yes, please give details: Click or tap here to enter text.
Does this activity/ proposal require a Data Protection Impact Assessment?	<del>Yes</del> / No Click or tap here to enter text.
<b>Status</b> (e.g. confidential/non confidential)	Non-Confidential
Freedom of information	Yes/ <del>No</del>
Can this paper be included in "open" business?*	



\* 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 approved by SFC

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

# 1 SUMMARY OF THE MID-YEAR RETURN

19 May 2020

- 1.1 The Mid-year return (MYR) is an annual return required by the Skills Funding Council. It is a forecast of the full year consolidated financial performance of Perth College (the College) and Air Service Training (Engineering) Limited (AST).
- 1.2 The MYR is a mix of actual performance for the first half of the year and a budget for the second half of the year.
- 1.3 The budgeted element of the MYR for the second half of the year is a reconsideration of the initial budget based on all the information available and will not necessarily reflect just half of the original budget.
- 1.4 The discussion below concentrates on the Income & Expenditure of the College and Group as this is the primary purpose of the MYR. However, the College is also required to forecast consolidated balance sheet and cash flow.
- 1.5 These forecasts are based on estimates. The cash balance must agree to the latest CFR (Cash Flow Return) return that is submitted by the College. The result is that other balance sheet areas such as debtors, deferred income and creditors are balancing figures.
- 1.6 For the latest MYR, the College has also been asked to provide additional information relating to certain income streams. The detail of these is set out in Paragraph 1.15.

# Summary of the 2019/20 MYR

- 1.7 A summary of the forecast for the full year ended 31 July 2020 as set out in the MYR is set out below. Additionally there is discussion of the key variations between the Budget and the MYR. The key variations discussed relate to the College only.
- 1.8 Whilst there were some variances between the budget and MYR prior to the Covid-19 lockdown, they would have been immaterial. Since the MYR was updated to take account of the best understanding of the impact of Covid-19 there has been a deterioration in the deficit and adjusted operating deficit of about £1,000,000 as follows:

	Deficit	Depreciation net of deferred capital grants release	Adjusted operating position
	(£)	(£)	(£)
College budget	1,122,901	(732,380)	390,521
College MYR	2,145,299	(810,754)	1,334,545
Increase in deficit	1,022,398		944,024

Group Budget	983,000	(763,000)	220,000
Group MYR	2,105,000	(837,000)	1,268,000
Increase in deficit	1,122,000		1,048,000

1.9 The budgeted College deficit was £1,122,901 and this is now forecast to be £2,145,299. The budgeted group deficit was £983,000 and this is now forecast to be £2,105,000,

### Adjusted operating position

- 1.10 The MYR, is also used to forecast an adjusted operating position. This is to reflect a central government accounting position and removes the depreciation charge (expenditure) and deferred capital grants (income) from the surplus or deficit.
- 1.11 The effect of calculating the adjusted operating position in the MYR is to:
  - 1.11.1 Decrease the deficit by the amount of the depreciation; and
  - 1.11.2 Increase the deficit by the amount of the deferred capital grant.
- 1.12 The adjustment in the MYR is to decrease the deficit by £810,754 for the College and £837,000 for the group.
- 1.13 The adjustment in the budget was to decrease the deficit by £732,380 for the College and £763,000 for the Group

# Detailed narrative of the latest 19/20 MYR

- 1.14 2019/20 is an unusual year in that this is the third MYR that has been produced and is based on much later information than would normally available. Due to Covid-19 there are far greater variances in income and expenditure than would normally be expected and these are difficult to predict given the level of uncertainty around what is happening.
- 1.15 Having already requested an updated MYR in April, SFC requested a further update to allow them to capture the general understanding in Scotland's colleges around certain types of income, namely around:
  - 1.15.1 Flexible Workforce Development Funds;
  - 1.15.2 Skills Development Scotland;
  - 1.15.3 European Social Infrastructure Fund; and
  - 1.15.4 Coronavirus Job Retention Scheme

- 1.16 The MYR template provided by SFC contains comparative figures which are pre-filled by SFC and based on the Financial Forecast Return (FFR) for 2019-20. These comparative figures ought to agree to the 2019/20 budget that was agreed by F&GP and Board.
- 1.17 There were errors in the original FFR submitted by the College so the variances here are explained by reference to the original 2019/20 budget for the College alone. AST prepares its own individual budgets which are not summarised here but there has been a reduction in AST's surplus from £140,000 to £41,000.
- 1.18 The summary of College budget and reforecast are set out in Appendix 1 under the same headings used for internal management accounts and the main variances are described below.

### Funding council grants and UGI non recurring grant income

1.19 The budget included an amount of £150,000 for further education ESIF income. It is considered likely that the required credits will not be achieved so the College has taken the prudent approach to assume this income will not be received.

#### Tuition fees and education contracts

- 1.20 The reduction of tuition fees and education contracts of £178,950 relates to a reduction in the amount of FWDF and SDS income that is expected to be achieved in the year as follows:
  - 1.20.1 FWDF that will not be delivered is £33,000;
  - 1.20.2 Modern apprenticeships £46,238 will not be achieved; and
  - 1.20.3 Foundation apprenticeships £99,748 of a budget of £235,000 for the 19/21 Cohort is expected to not be achieved.

### **Catering and residences**

- 1.21 Income is reduced by £440,582 due to the loss of income from the Sodexo catering contract (with an equivalent reduction in expenditure) and the loss of income from Halls of Residences.
- 1.22 There is also a reduction in non-staff expenditure due to the closure of all the catering sites and an expectation that Sodexo will furlough some of its labour costs.

### Other income generating activities

1.23 Income is reduced by £853,000 and the majority of this relates to the loss of international income. There is also a reduction of non-staff costs but only of £178,000.

### **Research Centre Activity**

1.24 Research income has increased by £110,000 due to an error in the budget where £46,000 of income was input as a cost leading to an overall reduction of income of £90,000. The additional increase of £18,000 is due to the addition of a new PhD Student and their associated funding.

### **ASW & Climbing centre**

- 1.25 ASW and the climbing centre closed at the end of March and the forecast is the loss of all income until the end of July.
- 1.26 There is some reduction in forecast staff costs due to the fact that bank staff will not be used. However when some of the bank staff are placed into the furlough scheme, those staff costs are forecast to increase again.
- 1.27 Non staff costs are forecast to be in line with budget

#### Other income

1.28 Other income has increased by £192,428, the majority of this is due to the forecast furlough income of £139,000.

### **Depreciation and Deferred Capital Grants**

- 1.29 Variances between budget and MYR are due to the fact that some assets were capitalised during the 18/19 year end process and their corresponding grant income capitalised. There is therefore an expected increase in the depreciation cost and related deferred capital grant release.
- 1.30 This variance has nothing to do with Covid-19 and is related to the fact that these were transactions that were recorded after the budget had been agreed.

## Additional considerations for the MYR

- 1.31 The College does not currently engage in its own independent mid-year reforecast and so that task is covered by the completion of the MYR. Going forward there will be a full mid-year reforecast undertaken internally and this process will be used to complete the MYR.
- 1.32 Having an internal mid-year reforecast is particularly important because the MYR template is provided by SFC and it is in the format that works for them whereas that does not necessarily work as well for the College.
- 1.33 The internal mid-year reforecast is fairly standard in organisations and enables a detailed consideration of the performance in the year and a better understanding of the final position at the year end.
- 1.34 It does however require the collaboration of finance and budget holders and requires buy in from both sides as finance do not have the knowledge of the various cost centres that budget holders have. If we are able to implement the finance system update, budget holders will have better, and on demand, visibility of the financial information relevant to their cost centres and projects.
- 1.35 The process could also be combined with starting to develop the budget for the following financial year given that the reforecast would be done at the end of January and the next year budget at the end of March.

Mid-year return 2019-20

College	Perth College
Contact	Henry Nicholson
Telephone	
Email:	henry.nicholson.perth@uhi.ac.uk

DECLARATION:	The attached worksheets represent an update on the financial forecasts for the College /
	Region, based on the actual financial results for the year to date and other relevant
	information. I consider the revised forecasts to be a reasonable assessment of the
	College / Region's projected finanical position at the end of this academic year in the light
	of the information available to me.

Signed:	

Margaret Cook

Principal/Chief Executive Officer

Date:

19-May-20

Statement of Comprehensive income and expenditure (Consolidated)	FFR 2019-20	Mid-year return 2019-20	Variance	Variance	
	£000	£000	%	£000	Commentary
INCOME					
Tuition fees and education contracts	5,997	5,196	-13%		Reduction of £643,826 in the tuition fees of commercial subsidiary (AST) due to suspension of the majority of teaching from mid march. Further £200,000 relates to the assumption of £NII. for Skills Development Scotland and Flexible Workforce Development income for April to July.
Funding council/RSB grants	16,061	15,911	-13%		Reduction of £150,000 due to assumption that no FE ESIF will be received.
Research grants and contracts	210	230	10%	20	The increase is due to PHD funding income not in budget and new assignment in year that was not budgetted.
Revenue grants from Arms Length Foundation Capital grants from Arms Length Foundation Other non-government capital grants	0 0	0		0	-
Deferred capital grant release (SFC/RSB and non-SFC Government)	196	220	12%	24	Increase due to assets capitalised at the end of 18/19 and beginning of 19/20 Loss of income due to closure of ASW. Joss of
Other income	4,302	2,718	-37%	-1 584	catering, residences, nursery and other income. Also a reduction in some international income recognised where delivery cannot take place online and we have therefore assumed that income will be deferred into the next financial year. Where delivery is continuing we have recognised income in line with budget.
Investment income Total income before donations and endowments	0	0	-9%	-2,491	
Donations and endowments Total income	26,766	24,275	-9%	-2,491 0 -2,491	
EXPENDITURE					
Staff costs	19,332	18,829	-3%	-503	£258,000 of saving relates to AST staff furlough and salary holiday. The original college budget was £200,000 less than the FFR figure shown here. The College has also made further cost reductions by choosing not to fill vacancies earlier in the year - this is unrelated to Covid 19.
Staff costs - exceptional restructuring costs	250	0	-100%	-250	The restructuring process has been suspended due to Covid 19
Exceptional costs - non-staff Other operating expenses	0	0	1000	0	£258k saving relates to AST. £233k relates to reduction of catering costs. £169k relates to reduction in "non staff expenditure for other income generating activities where those costs will be no longer incurred. These are costs of overseas delivery, training restarurant purchase
Donation to Arms Length Foundation	7,375	6,475 0	-12%	-900 0	and agent commissions.
Depreciation	949	1.057	11%		capitalised at the end of 2018/19 and beginning of 2019/20
Interest and other finance costs	20	1,037	-15%	-3	2013/20
Total expenditure	27,926	26,378	-6%	-1,548	
Surplus/(deficit) before other gains and losses and share of operating surplus/deficit of joint ventures and associates	(1,161)	(2,103)	81%	-942	
Gain/(loss) on disposal of fixed assets Gain/(loss) on invextments Share of operating surplus/(deficit) in joint venture(s) Share of operating surplus/(deficit) in associate(s)	0 0 0	0 0 0		0 0 0 0	
Surplus/(deficit) before tax	(1,161)	(2,103)	81%	-942	
Other taxation	0	0		0	
Surplus/(deficit) for the year	(1,161)	(2,103)	81%	-942	
Unrealised surplus on revaluation of land and buildings Actuarial (loss)/gain in respect of pension schemes Other comprehensive income	0 0 0	0 0 0		0 0 0	
Total comprehensive income for the year	(1,161)	(2,103)	81%	-942	

ADJUSTED OPERATING RESULT	FFR 2019-20	Mid-year return 2019-20	Variance	Variance
	£000	£000	%	£000
Surplus/(deficit) before other gains and losses and share of				
operating surplus/deficit of joint ventures and associates	(1,161)	(2,103)	81%	(942)
Add:				
Total depreciation (Government-funded, privately funded and NPD-				
funded assets) net of deferred capital grant release (incorporated				
colleges only)	752	837	11%	85
Exceptional non-restructuring items (e.g. impairment costs)	0	0		0
Donation to Arms Length Foundation (incorporated colleges only)	0	0		0
Non-cash pension adjustment - net service cost	0	0		0
Non-cash pension adjustment - early retirement provision	0	0		0 0
Non-cash pension adjustment - net interest costs	0	0		0
Deduct:				
Non-Government capital grants (e.g. ALF capital grant)	0	0		0
Exceptional income (if disclosed as exceptional in accounts)	0	0		0
CBP allocated to loan repayments and other capital items				
(incorporated colleges only)	0	0		0
NPD payments to reduce NPD balance sheet debt	0	0		0
Adjusted operating result	(408)	(1,266)	210%	(858)

Commentary

#### Cash budget for priorities (incorporated colleges) :

0	0		0
156	156	0%	0
0	0		0
373	373	0%	0
0	0		0
529	529	0%	0
0	0		0
0	0		0
0	0		0
0	0		0
0	0		0
529	529	0%	0
	0 373 0 529 0 0 0 0 0 0	0 0 373 373 0 0 529 529 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	0       0         373       373         0       0         529       529         0       0         0       0         0       0         0       0         0       0         0       0         0       0         0       0         0       0         0       0         0       0         0       0         0       0

Balance Sheet		FFR 2019-20	Mid-year return 2019-20	Variance	Variance	
		£000	£000	%	£000	Commentary
1 Non-current assets	a) Intangible assets b) Fixed assets c) Investments	0 34,630 0	0 34,588 0	0%	0 -42 0	
Total non-current assets		34,630	34,588	0%	-42	
2 Current assets	a) Stock	18	16	-11%		Debtor balance is static from 18/19 accounts other than to exclude income accruals that relate to
	<ul> <li>b) Debtors</li> <li>c) Investments</li> <li>d) Cash and cash equivalents</li> <li>e) Other (e.g. assets for resale)</li> </ul>	1,300 0 2,325 0	1,785 0 1,800 120	37% -23%	0 -525 120	ending projects
Total current assets		3,643	3,721	2%	78	
3 Creditors: amounts falling due within one year	<ul> <li>a) Bank loans and external borrowing</li> <li>b) Bank overdrafts</li> <li>c) Lennartz creditor</li> <li>d) Obligations under finance leases and service concessions</li> <li>e) Payments received in advance</li> <li>f) Amounts owed to Funding Council</li> <li>g) Obligations under PFI/NPD</li> <li>h) Deferred capital grant</li> </ul>	0 0 0 0 0 0 0	0 0 0 301 0 220		0 220	Based on prior year and assuming static balance 2019/20 Anticipated release Creditor balance is static other than to exclude
Total creditors < 1year	i) Other creditors and accruals	5,165 <b>5,165</b>	4,528 <b>5,049</b> 0	-12% -2%		prior year deferrals for research projects ending in year and Blairgowrie/Crieff learning centres that have closed.
Share of net assets/(liabilities) in associate		0	0		U	
NET CURRENT ASSETS/LIABILITIES TOTAL ASSETS LESS CURRENT LIABILITIES		(1,522) 33,108	(1,328) 33,260	-13% 0%	194 152	
4 Creditors: amounts falling due after more than one year	<ul> <li>a) Local authority loans</li> <li>b) Bank loans and external borrowing</li> <li>c) Lennartz creditor</li> <li>d) Finance leases and service concessions</li> <li>e) Obligations under PFI/NPD</li> <li>f) Deferred capital grant</li> <li>g) Amounts repayable to Funding Council</li> <li>h) Other creditors</li> </ul>	0 0 0 0 0 0 0 5,069	0 0 0 0 0 0 0 5,166	2%	0 0 0 0 0 0 97	
Total creditors >1 year		5,069	5,166	2%	97	
5 Provisions Total provisions TOTAL NET ASSETS	a) Pension provisions b) Other	2,883 0 <b>2,883</b> <b>25,156</b>	5,683 160 <b>5,843</b> <b>22,25</b> 1	97% 103% -12%	2,800 160 2,960 -2,905	
9 Restricted Reserves	a) Endowment Reserve b) Restricted Reserve	0	0 0		0 0	
10 Unrestricted reserves	<ul><li>a) Income and Expenditure Reserve</li><li>b) Revaluation reserve</li></ul>	8,207 16,949	4,965 17,286	-40% 2%	,	I&E Reserve in 18/19 balance sheet was £6,708 Revaluation reserve in 18/19 balance sheet was £17,645. £359k is released to I&E annually.
11 Non-controlling interest		0	0		0	
TOTAL RESERVES		25,157	22,251	-12%	-2,906	

Perth College					
		Mid-year			
	FFR	return			
	2019-20	2019-20			
Cashflow	£000	£000	£000	%	Commentary
1 Cash flow from operating activities					
a) Surplus / (deficit) for the year	(1,161)	(2,103)	942	(45%)	
a) Sulpus / (dencir) of the year	(1,101)	(2,103)	542	(4376)	
2 Adjustment for non-cash items					
a) Depreciation	949	1,057	(108)	(10%)	
b) Amortisation of intangibles	0	0	0		
c) Benefit on acquisition	0	0	0		
d) Amortisation of goodwill	0	0	0		
<ul><li>e) Loss / (gain) on investments</li></ul>	0	0	0		
f) Decrease / (increase) in stock	24	0	24		
g) Decrease / (increase) in debtors	433	607	(174)	(29%)	
h) Increase / (decrease) in creditors	(479)	(346)	(133)	38%	
i) Increase / (decrease) in pension provision	0	0	0	(4.000())	
j) Increase / (decrease in other provisions	0	(90)	90	(100%)	
<ul> <li>k) Receipt of donated equipment</li> <li>k) Share of apporting surplus ((deficit) in init venture)</li> </ul>	0	0	0 0		
<ul> <li>I) Share of operating surplus / (deficit) in joint venture</li> <li>m) Share of operating surplus / (deficit) in accessing</li> </ul>	0	0	0		
<ul> <li>m) Share of operating surplus / (deficit) in associate</li> <li>n) Other</li> </ul>	0	0	0		
Total adjustment for non-cash items	927	1,228	(301)	(25%)	
3 Adjustment for investing or financing activities	327	1,220	(501)	(2376)	
a) Investment income	0	0	0		
b) Interest payable	20	17	3	18%	
c) Endowment income	0	0	0		
d) Loss / (gain) on the sale of assets	0	0	0		
e) Capital grant income	(197)	(220)	23	(10%)	
Total adjustment for investing or financing activities	(177)	(203)	26	(13%)	
4 Net cash inflow from operating activities	(411)	(1,078)	667	(639()	
4 Net cash hinow non operating activities	(411)	(1,078)	007	(62%)	
5 Cash flow from investing activities					
<ul> <li>a) Proceeds from sales of fixed assets</li> </ul>	0	110	(110)	(100%)	Proceeds of Sale of Assets held for sale
<li>b) Proceeds from sales of intangible assets</li>	0	0	0		
c) Capital grants receipts	0	29	(29)	(100%)	
d) Disposal of non-current asset investments	0	0	0		
e) Withdrawal of deposits	0	0	0		
f) Investment income	0	0	0		
g) Payments made to acquire fixed assets	0	0	0		
<ul> <li>h) Payments made to acquire intangible assets</li> <li>i) New non-current asset investments</li> </ul>	0	0	0		
j) New deposits	0	0	0		
Total cash flows from investing activities	0	139	(139)	(100%)	
		100	(155)	(10070)	
6 Cash flows from financing activities					
a) Interest paid	(20)	(17)	(3)	18%	
<li>b) Interest element of finance lease and service concession</li>	0	0	0		
c) Endowment cash received	0	0	0		
d) New secured loans	0	0	0		
e) New unsecured loans	0	0	0		
<ul> <li>f) Repayments of amounts borrowed</li> <li>g) Capital element of finance lease and service concession payments</li> </ul>	0	0	0 0		
				100/	
Total cash flows from financing activities	(20)	(17)	(3)	18%	
7 (Decrease) / increase in cash and cash equivalents in the year	(431)	(956)	525	(55%)	
8 Cash and cash equivalents at beginning of the year	2,756	2,756	0	0%	
9 Cash and cash equivalents at the end of the year	2,325	1,800	525	29%	

Capital Expenditure Projects and Forecast Methods of Financing	FFR 2019-20	Mid-year return 2019-20	Variance	Variance
	£000	£000	%	£000
Expenditure:				
Land & Buildings	0	0		0
Equipment & Others	0	0		0
	0	0		0
Financed by:				
Cash reserves	0	0		0
Arms Length Foundation	0	0		0
Leasing	0	0		0
SFC / RSB grant	0	0		0
Re-investment of proceeds from disposal of assets *	0	0		0
Non-SFC grants	0	0		0
PFI/NPD	0	0		0
Other - please specify if material	0	0		0
	0	0		0

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

#### Capital disposals

#### **Disposal proceeds:** Asset description

0	0
0	0
0	0
0	0
0	0

0

0

0

0 0

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

Asset description Asset description Asset description Asset description

0	0
0	0
0	0
0	0
0	0

Commentary

FINANCIAL SUMMARY	FFR 2019-20	Mid-year return 2019-20
	£000	£000

Income ratios		
Total Income	26,766	24,275
Total Funding Council Grant (excluding release of deferred capital grant) as % of Total Income	60%	66%
Total non-Funding Council Grant (including SFC release of DCG) as % of Total Income	40%	34%
Total Education Contracts and Tuition Fees as % of Total Income	22%	21%
Total Research Grants and Contracts as % of Total Income	1%	1%
Total Other Income as % of Total Income	16%	11%

Expenditure ratios					
Total Expenditure	27,926	26,378			
Salaries as % of Total Expenditure	69%	71%			
Other operating costs as % of Total Expenditure	26%	25%			
Depreciation/amortisation as % of Total Expenditure	3%	4%			

Operating position					
Operating Surplus/(deficit)	-1,161	-2,103			
Operating Surplus/(deficit) as % of Total Income	-4.3%	-8.7%			
Adjusted operating surplus/(deficit)	-408	-1,266			
Adjusted operating surplus/(deficit) as % of Total Income	-1.5%	-5.2%			

Cash Position		
Cash and Current Asset Investments	2,325	1,800
Overdrafts	0	0
Days Ratio of Cash to Total Expenditure	31	26

Balance Sheet strength		
Unrestricted reserves	8,207	4,965
Current Ratio	0.71	0.74
Unrestricted reserves as % of Total Income	31%	20%
Total borrowing (Overdrafts, Loans, Finance Leases, PFI/NPD)	0	0
Interest cover	-57.03	-122.71

Core Teaching and ESF activity	Core teaching activity target	Expected core teaching activity	Core variance	Variance due to COVID-19	Variance due to Other Reasons	ESF activity target	Expected ESF activity	ESF variance	Variance due to COVID-19	Variance due to Other Reasons
Credits	23,655	23,655		<b>0</b> 0	0	1,200	883	317	317	0
SFC Grant (£'000)	7,435,571	7,435,571		<b>0</b> 0	0					
Notes:										
The college is still forecasting to meet our co										
it all. The college believes that although we	are expecting to be	e only 317 ESF cred	lits short, the v	vider partnership sho	ortage means that th	ne college will not i	receive ESF funding	. The College	did not forecast an	HE ESIF for
19/20 and that remains the same	are expecting to be	comyon Lor cred		and paratership she	nage means that t	ie conege will not i	COCINC LOF TURIDING	. The college	and not iorecast an	

Flexible Workforce Development Fund	FWDF allocation	FWDF drawn down	FWDF activity delivered to date	Additional FWDF activity delivered by 31 July 2020*	Total FWDF activity 2019-20
	£'000	£'000	£'000	£'000	£'000
SFC Grant	138	0	0	0	138
المحمد والمحمود والمتعاد ومعلمه ومقتر والمتعاد ومتاور المتعاد		should be affected and the			

\*Including activity contractually agreed by end July 2020 and due to start before end August 2020. Notes:

The figures included in the Mid year return relate to the drawdown and release of the 18/19 allocation. The college has received the allocation of approximately £137,000 and this is being recognised in line with milestones me We are forecasting that we will recognise £105,000 of this income.

The figures set out above relate to the 19/20 allocation. This income is likely to be recognised in 20/21 in line with milestones met. The College is forecasting £117,300 committed and signed by the end of May. There is a further £105,000 in the pipeline so the College expects to sign up the full allocation by 31 July. The surplus £84,300 (assuming the whole pipeline is signed up) will be put on a waiting list as the 19/20 allocation cannot be increased until the wider UHI picture is known.

Skills Development Scotland	SDS allocation	Funding received to date	Additional funding expected prior to 31 July 2020	Total 2019-20 funding
	£'000	£'000	£'000	£'000
SDS Funding	461	230	176	406

Notes:

SDS funding Modern apprenticeships - the College has drawn down £124,000 in funding and is projecting a further drawdown of £11,000.

SDS - Foundation apprenticeships - 17/19 Cohort - final milestone has been met and we are awaiting purchase order for £13,855. 18/20 cohort milestones are being met in line with target - milestones 3&4 have already been paid and Milestone 5 is awaiting purchase order for £15,812. 19/21 Cohort - we are still awaiting UHI confirmation but are currently forecasting recognition of milestone 2 with a value of £152,337 reduced to £135,252 to reflect reduced headcount.

UK Job Retention Scheme	Income	No. of staff furloughed	Date staff furloughed
	£'000	FTEs	
	244.419	n/a	n/a

Notes: The College subsidiary, AST, which is consolidated into the Mid year return furloughed staff from the end of March. The forecast furlough income covers four months (April to July) and is approximately £105,000 over that period.

The College is also proposing to furlough [xx] staff members from the Academy of Sports and Wellbeing from May to July the amount of furlough income is expected to be £16,473. There is also an additional cost of paying bank staff who would otherwise not be paid (£9,595 per month). The cost of this is reflected in the mid year return and is approximately £9,000.

Lastly, the College is proposing to furlough an as yet undetermined number of staff from the college from May to July. This is a maximum number and it is unlikely all will be furloughed and so we are forecasting furlough



Committee	Board of Management
Subject	Indicative Budget 2020/21 and Future Financial Forecast
Date of Committee meeting	10/06/2020
Author	Veronica Lynch, Vice Principal External Engagement
Date paper prepared	04/06/2020
Executive summary of the paper	This paper provides the assumptions on which an indicative budget for 2020/21 is based, together with a future financial forecast to 2024/25.
	It is recommended that the Board:
	<ul> <li>a) Note the assumptions on which the indicative budget for 2020/21 is currently based.</li> <li>b) Note the Future Financial Forecast for the period to 2024/25</li> </ul>
	Consultation has been undertaken with SMT and
<b>Consultation</b> How has consultation with partners been carried out?	Colleges Scotland to confirm the assumptions on which this indicative budget is based.
Action requested	□ For information only
	⊠ For discussion
	□ For recommendation
	□ For approval
Resource implications	Yes/ No
(If yes, please provide details)	This outlines the resources that will be required by the College to deliver its activities for 2020/21.



Paper 6

Risk implications	Yes/ No
(If yes, please provide details)	There is a high level of risk that the College will be unable to achieve a balanced budget as required by SFC
	Mitigation –PCUHI is undertaking an operational planning process to determine potential savings that may be required during the year to deliver a balanced budget.
	Colleges Scotland have stated the College's case to SFC to gain support for conditions to be re-considered for this year as a result of COVID-19
Link with strategy Please highlight how the paper	Provide a summary of the how the paper links to key College priorities and what they are
links to the Strategic Plan, or	This project supports the delivery of the strategic aim
assist with:	Financial sustainability
<ul> <li>Compliance</li> <li>National Student Survey</li> <li>partnership services</li> <li>risk management</li> <li>other activity [e.g. new opportunity] – please provide further information</li> </ul>	This paper assists with risk management, compliance with legal duties and with the Code of Good College Governance.
Equality and diversity	Click or tap here to enter text.
Yes/ <b>No</b>	
If yes, please give details:	
Island communities	Yes/ No
Does this activity/ proposal	If yes, please give details:
have an effect on an island community which is significantly different from its effect on other communities (including other island communities)?	Click or tap here to enter text.



Paper 6

Data Protection	Yes/ <b>No</b>
Does this activity/ proposal require a Data Protection Impact Assessment?	Set out any data protection aspects and whether a data protection impact assessment is needed
<b>Status</b> (e.g. confidential/non confidential)	Confidential
Freedom of information	Papers should be open unless there is a compelling
Can this paper be included in "open" business?* - <b>Yes</b>	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	$\boxtimes$
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

## Indicative Budget 2020/21 and Future Financial Forecast to 2024/25

## Introduction

This paper provides an update on our financial planning for 2020-21 and beyond for the next 5 years. In the context of COVID-19, this indicative budget and future financial forecast is based on assumptions that have been provided by Colleges Scotland in addition to broader education sector trend predictions to support in our planning.

## **Market Context**

The College is continuing to follow Scottish Government's advice and the campus remains closed with staff and students working and studying remotely. With a proposal for campus re-opening in August, plans are being developed for what the 'new normal' operating environment will bring. Assumptions in relation to recruitment, delivery approaches, requirements for ICT and other personal protective equipment for students and staff are all part of the planning process, and influencing our financial planning for 2020/21 and beyond.

## **Scotland's Colleges Sector Position**

In late April, the Scottish Funding Council (SFC) required Colleges to submit revised financial forecasts for 2019-20 in order to advise the Scottish Government on the likely financial impact of COVID-19 on institutions.

The impact of the COVID-19 crisis will significantly exacerbate an already very difficult financial and operating environment. Audit Scotland's report, <u>Scotland's Colleges 2019</u>, highlighted the precarious financial challenges already facing the sector prior to COVID-19. Without financial support, colleges will record a significant operational deficit for the year ending 31 July 2020, leading to a material reduction in the level of cash held by colleges. In some colleges, this may lead to insufficient cashflow to meet their financial commitments, including staff costs and external contractual requirements.

Based on SFC data, the 2019-20 College sector adjusted operating position is expected to move from near break-even to a deficit of £25 million. Six colleges had projected deficits pre-COVID; however, only 3 colleges (2 are nonincorporated) are now forecasting surpluses.

Colleges Scotland estimate that the reduction in income across the sector due to COVID-19 will be around £40 million, leading to a deficit of £25 million in this academic year 2019/20, and an estimated loss of income of over £70 million for the next academic year 2020/21.

The SFC has recently offered a welcome assurance on cash flows and some aspects of financial consideration, though there are additional queries which remain outstanding and we are working together to take these forward.

The Principal is working with Principals across the sector and Colleges Scotland to seek similar assurances from the Scottish Government and SDS to provide similar arrangements with apprenticeship milestones to support cashflow management to enable current business continuity and sustain the apprenticeship and employability training infrastructure.

The Scottish Government has been very supportive of Colleges, recognising the contribution the sector is making to support Scotland during the pandemic, and recognising the way in which Colleges have moved online to allow students to continue their studies. The future role of Colleges in kick starting the economy through upskilling and reskilling is also recognised by Scottish Government. To date, however, there is no additional funding confirmed by the Scottish Government/SFC.

## Perth College's current position

Our updated year-end forecast for academic year 2019-20 is a projected Adjusted Operating Deficit of £1,334,545, an increase of £944,024. Further details on this is outlined in our revised Mid-Year Return.

## Planning for 2020/21

Our operational planning process is ongoing with the Corporate Management Team. We are conscious that operational and financial planning this year includes a number of variable factors to enable as accurate a forecast as possible. This planning will consider a range of factors that will impact revenue, our recruitment profile, a greater realignment towards online delivery, an expected larger mix of shorter industry focussed programmes along with social distancing implications for on-campus delivery. Staffing and resource requirements to support this will continue to be reviewed. Initial assumptions for our 20/21 planning are:

- Curriculum review that was undertaken prior to COVID-19 continues to evolve to meet changing expectations from students and employers
- Teaching activities will require to be re-configured to enable us to respond to recruitment demand and modes of delivery
- Social distancing will remain in place for the full academic year
- Delivery will be based on a blended model of remote learning and, where a priority, limited on-campus learning. public health measures, including physical distancing, will be in place
- Where delivery is unable to be delivered online, particularly for FE students, smaller class sizes will be necessary impacting staff teaching hours within national terms and conditions
- Teaching spaces will require to be configured, including how we achieve best use of our digital estate, particularly to support students impacted by digital poverty
- The completions of some students from 2019/20 needing to take place prior to beginning 2020/21 learning
- The likely need for student groups split across multiple sessions and delivery modes
- The indications that students may wish to stay closer to home in 2020/21 rather than live in student residences
- Potential for an increase in taught or online postgraduate programmes as this year's graduates look for a safe option
- Current uncertainty around travel restrictions impacting international on campus recruitment, as well as in market delivery
- Uncertainties related to EU student numbers despite assurances that 4 year degrees will still be honoured by Scottish Government for any students joining in 2020/21
- The likelihood of increased competition from Scottish Universities as a result of the reduction in international student numbers
- Changing preferences from school pupils on future study choices post COVID-19
- Continuing pressures on staff workloads within national terms and conditions framework

## Indicative Budget for 2020/21

On the basis of the continually fluid planning environment, the assumptions that this indicative budget has been based on are:

- FE student credit income is based on figures provided by UHI on 3 June 2020. Student Support Funds have been included at the level UHI have indicated with an allowance for additional pension costs.
- HE grants incorporate the figures received in June from UHI for the RAM, REG and PGDE. An allowance has also been made for the UHI MicroRam in line with 2019/20 figures.
- 80% reduction of International students on campus
- International delivery able to be completed by agreement with partner institutions online – estimated 50% reduction in revenue
- Commercial contracts, research and development funding based on the assumption that up to 50% of activity will either be delayed or will not be contracted for in year.
- ESF being unable to be delivered on the basis of difficulty across UHI and the sector to achieve the core SFC FTE delivery target which puts at risk all the ESF funding. ESF is no longer available for FE delivery.
- SDS MA contract value up to 50% of activity will either be delayed or will not be contracted for in the year.
- SDS Foundation Apprenticeships up to 25% of activity will either be delayed or unable to be delivered in year
- Flexible Workforce Development Funding 50% reduction based upon delayed contracts and businesses unable to take up the training opportunity within the required timescale
- Operational income including catering and nursery provision resulting from lower than anticipated recruitment levels due to social distancing restrictions
- ASW revenues at 30% reduction on 2019/20 levels
- Staffing model based on teaching load relates to 2019/20 recruitment with no current allowance for additional staff time required resulting from social distancing
- Pay cost increases of 3% against a 1.8% cost of living allocation
- Job Retention Scheme funds will be sourced for applicable staff based on updated fund criteria currently no allowance included
- Capital grants reflect allocations provided by UHI
- Reduction in all non-essential expenditure

In relation to core teaching delivery, our expectation is that SFC will honour the recently announced 2020-21 allocations, with a continuation of the current relaxation in credit targets being met. It is unclear if the Scottish Government and SFC can commit to sustaining the announced allocation levels with the concession that colleges can deliver reduced credit level targets.

This indicative budget will require in year savings to be achieved in order to meet the SFC's requirement to deliver a balanced budget.

## Recommendation

It is recommended that the Board

- a) Note the assumptions on which the indicative budget for 2020/21 is currently based.
- b) Note the Future Financial Forecast for the period to 2024/25

Management accounts	Budget to 31 July 2020	Budget to 31 July 2021	Forecast for year ended 31 July 2022	Forecast for year ended 31 July 2023	Forecast for year ended 31 July 2024	Forecast for year ended 31 July 2025
Funding Council Grants excluding Research based	15,917,370	16,832,757	16,832,757	16,832,757	16,832,757	16,832,757
UHI Non Recurrent Income	143,568	143,568	143,568	143,568	143,568	143,568
Tuition Fees & Education Contracts	6,018,592	5,398,903	6,035,341	6,035,341		6,061,341
- Higher education full time	2,920,981	2,920,981	2,920,981	2,920,981		2,920,981
- Higher education part time	97,765	97,765		97,765		97,765
- Further education part time - Non vocational	30,000 61,117	15,000 48,894	30,000 61,117	30,000 61,117	30,000 61,117	30,000 61,117
- Vocational higher education	8,000	48,854 8,000	8,000	8,000	8,000	8,000
- Highers	5,000	5,000	5,000	5,000	5,000	5,000
- Flexible workforce development fund	137,251	90,000	180,000	180,000	180,000	180,000
- Modern apprenticeships	180,000	90,000	180,000	180,000	180,000	180,000
- Foundation apprenticeships	371,855	278,891	371,855	371,855	371,855	371,855
- Managing Agents	104,000	52,000	78,000	78,000	104,000	104,000
- AST Tuition fees	2,102,623	1,792,373	2,102,623	2,102,623	2,102,623	2,102,623
Catering & Residences	1,188,321	712,993	1,188,321	1,188,321	1,188,321	1,188,321
Other Income Generating Activities - International	1,730,250 1,103,515	1,072,760 677,892	1,620,520 993,785	1,683,570 1,047,835		1,754,553 1,100,000
- Short Course income	184,000	92,000	184,000	184,000	184,000	1,100,000
- Nursery	300,000	225,000	300,000	309,000		327,818
- Hairdressing	13,000	13,000	13,000	13,000	13,000	13,000
- Training restaurant	30,000	15,000	30,000	30,000	30,000	30,000
- Other	99,735	49,868	99,735	99,735	99,735	99,735
Research Centre Activity Income & Grant Funding	117,820	117,820	117,820	117,820	117,820	117,820
Release of Deferred Capital Grant	196,436	196,436	196,436	196,436	196,436	196,436
ASW & Climbing Centre	494,000	345,800	518,700	544,635	571,867	600,460
Other Income	610,310	254,655	610,310	610,310		610,310
INCOME SUB TOTAL	26,416,667	25,075,691	27,263,773	27,352,758		27,505,566
Bursary/ Hardship Grant (Excluding Childcare) TOTAL INCOME	2,503,371 28,920,038	2,529,477 <b>27,605,168</b>	2,529,477 <b>29,793,250</b>	2,529,477 <b>29,882,235</b>	2,529,477 <b>29,946,406</b>	2,529,477 <b>30,035,043</b>
EXPENDITURE - STAFF COSTS						
Teaching Departments	12,731,134	19,013,333				
Teaching Support Services	2,274,051	473,912	478,789	478,789	478,789	478,789
Administration & Central Services Premises	2,064,786	-	-	-	-	-
ASW & Climbing Centre	885,862 391,004	-	-	-	-	-
Other Income Generating Activities	523,853	-	-	-	-	-
Research Centre Activity Income & Grant Funding	231,170	-	-	-	-	-
TOTAL EXPENDITURE - STAFF COSTS	19,101,859	19,487,245	20,150,920	20,719,603	21,305,347	21,908,663
EXPENDITURE - NON STAFF COSTS						
Teaching Departments	1,332,400	1,297,840				
Teaching Support Services Administration & Central Services	465,000 1,477,351	465,000 1,477,351				
Premises	1,572,019	1,572,019		1,635,529		1,701,604
ASW & Climbing Centre	183,000	183,000				198,085
Catering & Residences	1,148,278	-	,	1,194,668		
Other Income Generating Activities	507,932	507,932	520,091	532,492	545,142	558,045
Research Centre Activity Income & Grant Funding	18,200	18,200	18,564	18,935	19,314	19,700
Other Expenses - Childcare	536,103	536,103	-	557,762		580,295
Interest Payable	15,000	15,000	-	-	-	
Depreciation	928,816	928,816	-		-	
TOTAL EXPENDITURE - NON STAFF COSTS	8,184,099	8,149,539	8,316,866			8,731,315
	27,285,958					
Bursary/ Hardship Grant (Excluding Childcare) TOTAL EXPENDITURE INCLUDING BURSARY	2,505,071 <b>29,791,029</b>	2,529,477 <b>30,166,261</b>	2,529,477 <b>30,997,263</b>	2,529,477 <b>31,701,370</b>		2,529,477 33,169,455
SURPLUS/DEFICIT	(870,991)	(2,561,093)	(1,204,014)	(1,819,134)	(2,478,839)	(3,134,412)
Depreciation (net of deferred capital grant) Adjusted operating position	732,380 <b>(138,611)</b>	732,380 (1,828,713)	732,380 <b>(471,634)</b>	732,380 <b>(1,086,754)</b>	732,380 <b>(1,746,459)</b>	732,380 (2,402,032)

Management accounts	Budget to 31 July 2020	Budget to 31 July 2021	Forecast for year ended 31 July 2022	Forecast for year ended 31 July 2023	Forecast for year ended 31 July 2024	Forecast for year ended 31 July 2025	Adjustment to create Budget to 31 July 2021	Adjustments 2021/22 to 2024/25
INCOME Funding Council Grants excluding Research based	15,917,370	16,832,757	16,832,757	16,832,757	16,832,757	16,832,757	UHI Figures	0%
UHI Non Recurrent Income	143,568	143,568	143,568	143,568	143,568	143,568	0%	0%
Tuition Fees & Education Contracts	3,915,969	3,606,531	3,932,718	3,932,718	3,958,718	3,958,718		0,0
- Higher education full time	2,920,981	2,920,981	2,920,981	2,920,981	2,920,981	2,920,981	0%	0%
- Higher education part time	97,765	97,765	97,765	97,765	97,765	97,765	0%	0%
- Further education part time	30,000	15,000	30,000	30,000	30,000	30,000	-50%	£30k p.a
- Non vocational	61,117	48,894	61,117	61,117	61,117	61,117	-20%	Full value
- Vocational higher education	8,000	8,000	8,000	8,000	8,000	8,000	0%	0%
- Highers	5,000	5,000	5,000	5,000	5,000	5,000	0%	0%
- Flexible workforce development fund	137,251	90,000	180,000	180,000	180,000	180,000	Half of estimate	Full estimate
- Modern apprenticeships	180,000	90,000	180,000	180,000	180,000	180,000	Half of budget	Full value
- Foundation apprenticeships	371,855	278,891	371,855	371,855	371,855	371,855	-25%	Full value
- Managing Agents	104,000	52,000	78,000	78,000	104,000	104,000	-50%	-25% the full value
- AST Tuition fees	- 1 100 221	712.002	1 100 221	1 100 221	1 100 221	1 100 221	40%	Fullwalue
Catering & Residences Other Income Generating Activities	1,188,321 1,730,250	712,993 1,072,760	1,188,321 1,620,520	1,188,321 1,683,570	1,188,321 1,694,509	1,188,321 1,754,553	-40%	Full value
- International	1,103,515	677,892	993,785	1,083,370	1,034,303		Figures provided	Figures provided
- Short Course income	184,000	92,000	184,000	184,000	1,045,504	1,100,000	-50%	Full value
- Nursery	300,000	225,000	300,000	309,000	318,270	327,818	-25%	Full Value then 3%
- Hairdressing	13,000	13,000	13,000	13,000	13,000	13,000	0%	0%
- Training restaurant	30,000	15,000	30,000	30,000	30,000	30,000	-50%	Full value
- Other	99,735	49,868	99,735	99,735	99,735	99,735	-50%	Full value
Research Centre Activity Income & Grant Funding	117,820	117,820	117,820	117,820	117,820	117,820	0%	0%
Release of Deferred Capital Grant	196,436	196,436	196,436	196,436	196,436	196,436	0%	0%
ASW & Climbing Centre	494,000	345,800	518,700	544,635	571,867	600,460	-30%	5%
Other Income	649,310	324,655	649,310	649,310	649,310	649,310	-50%	Full value
INCOME SUB TOTAL	24,353,044	23,353,319	25,200,149	25,289,135	25,353,306	25,441,943		
Bursary/ Hardship Grant (Excluding Childcare) TOTAL INCOME	2,503,371 26,856,415	2,529,477 <b>25,882,796</b>	2,529,477 27,729,626	2,529,477 27,818,612	2,529,477 27,882,783	2,529,477 27,971,420	UHI Figures	N/A
EXPENDITURE - STAFF COSTS								
Teaching Departments	12,015,111	18,403,987	18,956,107	19,524,790	20,110,534	20,713,850	MB Model	
Teaching Support Services	1,795,261	, ,	-,, -	-,- ,	-, -,	-, -,	N/A	
Administration & Central Services	2,064,786						N/A	
Premises	885,862						N/A	
ASW & Climbing Centre	391,004						N/A	
Other Income Generating Activities	523,853						N/A	
Research Centre Activity Income & Grant Funding	231,170						N/A	
TOTAL EXPENDITURE - STAFF COSTS	17,907,047	18,403,987	18,956,107	19,524,790	20,110,534	20,713,850		
EXPENDITURE - NON STAFF COSTS								
Teaching Departments	615,500	615,500	627,810	640,366	653,174	666,237	0%	2%
Teaching Support Services	465,000	465,000	474,300	483,786	493,462	503,331	0%	2%
Administration & Central Services	1,477,351	1,477,351	1,506,898	1,537,036	1,567,776	1,599,132	0%	2%
Premises	1,572,019	1,572,019	1,603,459	1,635,529	1,668,239	1,701,604	0%	2%
ASW & Climbing Centre	183,000	183,000	186,660	190,393	194,201	198,085	0%	2%
Catering & Residences	1,148,278	1,148,278	1,171,244	1,194,668	1,218,562	1,242,933	0%	2%
Other Income Generating Activities	607,932	607,932	620,091	632,492	645,142	658,045	0%	2%
Research Centre Activity Income & Grant Funding	18,200	18,200	18,564	18,935	19,314	19,700	0%	2%
Other Expenses - Childcare	536,103	536,103	546,825	557,762	568,917	580,295	0%	2%
Interest Payable	15,000	15,000	15,300	15,606	15,918	16,236	0%	2%
Depreciation TOTAL EXPENDITURE - NON STAFF COSTS	928,816 7,567,199	928,816 <b>7,567,199</b>	928,816 7,699,966	928,816 7,835,389	928,816 7,973,521	928,816 8,114,415	0%	0%
TOTAL EXPENDITURE	25,474,245	25,971,186	26,656,073	27,360,180	28,084,055	28,828,265		
Bursary/ Hardship Grant (Excluding Childcare) TOTAL EXPENDITURE INCLUDING BURSARY	2,505,071 27,979,316	2,529,477 28,500,663	2,529,477 <b>29,185,550</b>	2,529,477 29,889,657	2,529,477 30,613,532	2,529,477 31,357,742	N/A	N/A
SURPLUS/DEFICIT	(1,122,901)	(2,617,867)	(1,455,924)	(2,071,045)	(2,730,749)	(3,386,322)		
Depreciation (net of deferred capital grant) Adjusted operating position	732,380 (390,521)	732,380 (1,885,487)	732,380 (723,544)	732,380 (1,338,665)	732,380 (1,998,369)	732,380 (2,653,942)	0%	0%

Assumed SFC Grant Funding		
FE Credit Funding	8,830,629	
FE Capital	717,329	
FE Childcare	601,277	
HE RAM	6,510,749	
HE REG	36,040	
HE Capital	209,279	
HE PGDE	215,455	
HE MicroRam (as 2019/20)	(288,000)	
	16,832,757	
FE Bursary + Discretionary	2,529,477	

Management accounts	Budget to 31 July 2020	Budget to 31 July 2021	year ended	year ended	year ended	year ended	Adjustment to create Budget to 31 July 2021
INCOME	···· <b>,</b> -····	,					
Funding Council Grants excluding Research based	-	-	-	-	-	-	
UHI Non Recurrent Income							
Tuition Fees & Education Contracts	2,102,623	1,792,373	2,102,623	2,102,623	2,102,623	2,102,623	
Higher education full time							
Higher education part time							
Further education part time							
Non vocational							
Vocational higher education Highers							
Flexible workforce development fund							
Modern apprenticeships							
oundation apprenticeships							
Vanaging Agents							
AST Tuition fees	2,102,623	1,792,373	2,102,623	2,102,623	2,102,623	2,102,623	
atering & Residences	2,202,020	1,752,676	2,202,020	2,102,020	2)202,020	2,202,020	
ther Income Generating Activities	-	-	-	-	-	-	
nternational							
Short Course income							
Nursery							
Hairdressing							
Training restaurant							
Other							
esearch Centre Activity Income & Grant Funding							
elease of Deferred Capital Grant							
SW & Climbing Centre							
ther Income	61,000	30,000	61,000	61,000	61,000	61,000	
ICOME SUB TOTAL	2,163,623	1,822,373	2,163,623	2,163,623	2,163,623	2,163,623	
ursary/ Hardship Grant (Excluding Childcare) DTAL INCOME	2,163,623	1,822,373	2,163,623	2,163,623	2,163,623	2,163,623	
KPENDITURE - STAFF COSTS							
eaching Departments	716,024	609,346	716,024	716,024	716,024	716,024	
eaching Support Services	478,789	473,912	478,789	478,789	478,789	478,789	
dministration & Central Services	-,	-,	-,	2,1 20	-,0	-,5	
remises							
SW & Climbing Centre							
ther Income Generating Activities							
esearch Centre Activity Income & Grant Funding							
DTAL EXPENDITURE - STAFF COSTS	1,194,813	1,083,258	1,194,813	1,194,813	1,194,813	1,194,813	
PENDITURE - NON STAFF COSTS							
	716,900	682,340	716,900	716,900	716,900	716,900	
eaching Departments eaching Support Services	716,900	682,340	716,900	716,900	716,900	716,900	
eaching Departments eaching Support Services	716,900	682,340	716,900	716,900	716,900	716,900	
eaching Departments eaching Support Services dministration & Central Services remises	716,900	682,340	716,900	716,900	716,900	716,900	
eaching Departments eaching Support Services dministration & Central Services emises SW & Climbing Centre	716,900	682,340	716,900	716,900	716,900	716,900	
eaching Departments eaching Support Services dministration & Central Services emises SW & Climbing Centre atering & Residences	716,900	682,340	716,900	716,900	716,900	716,900	
KPENDITURE - NON STAFF COSTS eaching Departments eaching Support Services dministration & Central Services remises SW & Climbing Centre atering & Residences ther Income Generating Activities	716,900	682,340	716,900	716,900	716,900	716,900	
eaching Departments eaching Support Services dministration & Central Services remises SW & Climbing Centre atering & Residences ther Income Generating Activities esearch Centre Activity Income & Grant Funding	716,900	682,340	716,900	716,900	716,900	716,900	
aching Departments aching Support Services Iministration & Central Services emises SW & Climbing Centre ttering & Residences ther Income Generating Activities tsearch Centre Activity Income & Grant Funding ther Expenses - Childcare	716,900	682,340	716,900	716,900	716,900	716,900	
aching Departments aching Support Services Iministration & Central Services emises W & Climbing Centre tering & Residences her Income Generating Activities search Centre Activity Income & Grant Funding her Expenses - Childcare terest Payable	716,900	682,340	716,900	716,900	716,900	716,900	
aching Departments aching Support Services ministration & Central Services emises W & Climbing Centre tering & Residences her Income Generating Activities search Centre Activity Income & Grant Funding her Expenses - Childcare erest Payable preciation							
ching Departments ching Support Services ministration & Central Services mises V & Climbing Centre ering & Residences wer Income Generating Activities earch Centre Activity Income & Grant Funding erer Expenses - Childcare erest Payable preciation	716,900	682,340 682,340	716,900	716,900	716,900	716,900 716,900	
aching Departments aching Support Services ministration & Central Services emises W & Climbing Centre tering & Residences her Income Generating Activities search Centre Activity Income & Grant Funding her Expenses - Childcare erest Payable preciation TAL EXPENDITURE - NON STAFF COSTS				716,900			
aching Departments aching Support Services ministration & Central Services emises W & Climbing Centre tering & Residences her Income Generating Activities search Centre Activity Income & Grant Funding her Expenses - Childcare erest Payable preciation TAL EXPENDITURE - NON STAFF COSTS TAL EXPENDITURE Irsary/ Hardship Grant (Excluding Childcare)	716,900	682,340	716,900	716,900	716,900	716,900 1,911,713	
eaching Departments eaching Support Services dministration & Central Services remises SW & Climbing Centre atering & Residences ther Income Generating Activities esearch Centre Activity Income & Grant Funding ther Expenses - Childcare terest Payable epreciation DTAL EXPENDITURE - NON STAFF COSTS DTAL EXPENDITURE ursary/ Hardship Grant (Excluding Childcare) DTAL EXPENDITURE INCLUDING BURSARY	716,900 1,911,713 1,911,713	682,340 1,765,598 1,765,598	716,900 1,911,713 1,911,713	716,900 1,911,713 1,911,713	716,900 1,911,713 1,911,713	716,900 1,911,713 1,911,713	
aching Departments aching Support Services Iministration & Central Services emises W & Climbing Centre tering & Residences her Income Generating Activities search Centre Activity Income & Grant Funding her Expenses - Childcare terest Payable preciation INTAL EXPENDITURE - NON STAFF COSTS INTAL EXPENDITURE ursary/ Hardship Grant (Excluding Childcare)	716,900	682,340	716,900	716,900	716,900	716,900	
aching Departments aching Support Services Iministration & Central Services emises W & Climbing Centre tering & Residences her Income Generating Activities search Centre Activity Income & Grant Funding her Expenses - Childcare terest Payable terest Payable tere	716,900 1,911,713 1,911,713	682,340 1,765,598 1,765,598	716,900 1,911,713 1,911,713	716,900 1,911,713 1,911,713	716,900 1,911,713 1,911,713	716,900 1,911,713 1,911,713	



# Paper No. 7

Committee	Board of Management
Subject	AST Business Plan 2020/21
Date of Committee meeting	10/06/2020
Author	Mark Taylor, AST General Manager
Date paper prepared	20/05/2020
Executive summary of the paper	This paper provides outlines the Business Plan for Air Services Training (Engineering) Ltd, a wholly-owned subsidiary of Perth College. The Business Plan incorporates an indicative budget for
	2020/21, based on current business assumptions.
<b>Consultation</b> How has consultation with partners been carried out?	This paper was discussed at the AST Board meeting of 13 May 2020.
Action requested	□ For information only
	□ For discussion
	□ For recommendation
	⊠ For approval
Resource implications	<del>Yes/</del> No
(If yes, please provide details)	
Risk implications	<del>Yes/</del> No
(If yes, please provide details)	Click or tap here to enter text.
Link with strategy	Click or tap here to enter text.
Equality and diversity Yes/ No	<del>Yes/</del> No
If yes, please give details:	



Data Protection	<del>Yes/</del> No
Does this activity/ proposal require a Data Protection Impact Assessment?	Click or tap here to enter text.
<b>Status</b> (e.g. confidential/non confidential)	Confidential
<b>Freedom of information</b> Can this paper be included in	<del>Yes/</del> No
"open" business?*	

\* 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

## **Commentary**

This budget is presented to the AST Board on 13th May 2020 and is identical in most respects to the BASE PLAN that agreed at the 15th April 2020 Board Meeting, having been selected from 5 plans offering sales revenues of -20%, -10%, BASE, +5% and +10%.

The +/- % sales revenue options have been taken away, leaving just the BASE PLAN. The Board also asked that provisions made for repayment of part of the salary holiday and any investments in IT or training aids be taken "below the line", so the formatting of the I &E tab has been changed, both for FY 2020/21 budget and for the comparator previous year FY 2019/20.

In preparing this budget, one omission was found in the 15th April 2020 BASE PLAN, namely that training aid maintenance, which also covers acquisition of minor hand tools and similar, had been omitted. This has been reinstated at £20,000 which is the same budget as FY 2019/20 and has the effect of lowering the overall margin to £113,900

The Sales & Business Development Report dated 13th May 2020 gives a breakdown of the sales strategy and expected revenues for each of the types of courses included in the FY 2020/21 Sales Budget.

The main Risks in the FY 2020/21 budget are:

1) Lower than expected returning students and / or course bookings on Approved Courses

2) Delayed Start post-Covid-19 Lockdown. The AST BASE PLAN assumes students return for faceto-face training from 3rd August, which might be optimistic given the pace at which restrictions are being lifted, particularly with Scotland lagging England by several weeks.

3) The Salary Holiday is currently assumed to run until 31/12/2020 but this might be unsustainable once teaching re-commences. The margin impact is £15,425 per month if all staff are removed from Salary Holiday (Instructors £9, 869 and Managers £5,556 per month)

The main Opportunities appear to be:

A) Leonardo / QEAF start an additional course, whoch would generate £250/week per student. This will be dependent on the rate at which Cobham ar able to recommence english language training in England.

B) Whilst AST has missed its Consultancy budget in each of the previous years, it does appear as if there is a credible prospect in Greece with AVGEN. This might commence FY 2019/20 (pre-1st August) but some revenues, approx £20-30k, would occur in FY 2020/21

Mark Taylor AST General Manager 11th May 2020

	ES BUDGET - FY 2	,									£	£	£	£	£	2020/21 £	£	£	£	£	£	£	£	£	£
17	VCOME 2020-21								e/wk with		2020 AUG	2020 SEP	2020 OCT	2020 NOV	2020 DEC	2021 JAN 4	2021 FEB	2021 MAR	2021 APR 5	2021 MAY	2021 JUN	2021 JULY	PLAN TOTAL	2019/20 BUDGET	VAR
APPROVED O Direct Entry		Start	End	Wks		Stud		Fee/wk	Hols	_	•	-	,	-	5	•	-	•	5	•	-	5			
	263 264 5 (2 x Leonardo, income below)	Sep-18 May-19 Sep-19	Jul-20 Apr-21 Jul-21	89 89 89	10 12 10	14 8 9	24,519 22,460 18,207	275 252 205	248 222 184	•	9,154 7,116 0	9,154 7,116	11,442 8,895 8,276	7,116	8,895 8,276	7,116	7,116	7,116	8,895	4,697 6.621	4,697 6.621	5,871 8,276	29,750 84,647 79,449		
26:	5 (2 x Leonardo, income below) 266 267	Sep-19 May-20 Sep-20	Jul-21 Apr-22 Aug-22		10 12 10	9 0 8	18,207 0 22,597	205 0 254	184 0 228		0	6,621 0 7,304	8,276 0 9,130	6,621 0 7,304	8,276 0 9,130	6,621 0 7,304	6,621 0 7,304	6,621 0 7,304	8,276 0 9,130	6,621 0 7,304	6,621 0 7.304	8,276 0 9,130	79,449 0 87,647		
	268	May-21	Apr-23	89	12	8	19,850	223	197	Total Direct Entry	0 16,270	0	0 37,743	0	0 26,301	0	0	0	0 26,301	6,289 24,911	6,289 24,911	7,862	20,440 301,933	415,462	-113,5
Modern App	renticeship (MA) MA1	Sep-20	May-24	26	3	4	4,000	154	138		0	2,462	3,077	2,462	3,077	2,462	2,462	0	0	0	0	0	16,000		16.00
BSc Degree I	Programme Cohort 1	Sep-19	Jul-21	89	10	16	11,160	125	113	Total Direct Entry Scottish @ £5,580	0	2,462 7,215	9,018	7,215	9,018	2,462 7,215	7,215	7,215	9,018	7,215	7,215	9,018	16,000 86,575	0	16,00
				89 89	10 10	0	18,000 26,400	202 297	182 267	RuK @ £9,000 RoW @ £13,200	0	0 3,200	0 4,000	0 3,200	0 4,000	0 3,200	0 3,200	0 3,200	0 4,000	0 3,200	0 3,200	0 4,000	0 38,400		
	Less college lecturers (219	hours @ £6	8 = £14,892	Averag or £310/	r <mark>e BSc Fe</mark> /wk)	*	13,566	152	137 310	Sub-Total Cohort 1	0	10,415 -1,240 9,175	13,018 -1,550 11,468	10,415 -1,240 9,175	13,018 -1,550 11,468	10,415 -1,240 9,175	10,415 -1,240 9,175	10,415 -1,240 9,175	13,018 -1,550 11,468	10,415 -1,240 9,175	10,415 -1,240 9,175	13,018 -1,550 11,468	124,975 -14,880 110,095		
	Cohort	Sep-19	Jul-21	89	10	17	11,160	125	113	Sub-Total Conort 1 Scottish @ £5,580	0	7,665	9,582	7,665	9,582	7,665	7,665	7,665	9,582	7,665	7,665	9,582	91,985		
				89 89	10 10	2	18,000 26,400	202 297	182 267	RuK @ £9,000 RoW @ £13,200	0	1,455 2,133	1,818 2,667	1,455 2,133	1,818 2,667	1,455 2,133	1,455 2,133	1,455 2,133	1,818 2,667	1,455 2,133	1,455 2,133	1,818 2,667	17,455 25,600		
	Less college lecturers (238	hours @ £6	8 = £16,184	Averag or £337/	t <mark>e BSc Fe</mark> /wk)	*	13,263	149	134 337	_	0	11,253 -1,348	14,067 -1,685	11,253 -1,348	14,067 -1,685	11,253 -1,348	11,253 -1,348	11,253 -1,348	14,067 -1,685	11,253 -1,348	11,253 -1,348	14,067 -1,685	135,040 -16,176		
									ſ	Sub-Total Cohort 2 Total BSc Courses	0	9,905	12,382 23,850	9,905	12,382 23.850	9,905	9,905	9,905	12,382 23,850	9,905	9,905	12,382 23.850	118,864 228,959	127,284	101.6
.eonardo / 0	Leonardo Batch 2 B2A	Marc 10	Apr-21	89	12	18	22.250	250	220	Total bic courses	15.861	15,861	19.827	15.861	19.827	15,861	15.861	15.861	19.827	13,000	13,000	23,030	154,649	127,204	101,0
	Leonardo Batch 2 B2B Leonardo Batch 2 B1.3	Sep-19 Feb-20	Jul-21 Jan-22	89 89	10 12	1 16	22,250	250 250	225 220		0 14,099	899 14,099	1,124 17,624	899 14,099	1,124	899 14,099	899 14,099	899 14,099	1,124	899 14,099	899 14,099	1,124 17,624	10,788 183,287		
	Leonardo Batch 3 B2 TELT Leonardo Batch 3 B2	Feb-21 Mar-21	Mar-21 Nov-22	4 89	0 10	10	1,000 22,250	250 250	250 225		0	0	0	0	0	0	0	10,000 0	0 11,237	0 8,990	0 8,990	0 11,237	10,000 40,455		
						146			L T	Total Leonardo TOTAL APPROVED	29,960 46.230	30,859 82,596	38,574 103,244	30,859 73.442	38,574 91.802	30,859 73,442	30,859	40,859	49,812 99,962	23,988	23,988 67.978	29,985 84.973	399,178 946.070	424,342 967.088	-25,1
BESPOKE	-		udents at Pe						L	TOTAL APPROVED												946,070		967,088	-21,0
B	Royal Air Force of Oman 1 to B2 Conversion (FIGAS)	Oct-20 Aug-20	Mar-20 Sep-20	24 8	2	7	11,100 16,000	463 2000	427 2000		0	0 8,000	14,942 8,000	11,954 0	14,942 0	11,954 0	11,954 0	11,954 0	0	0	0	0	77,700 16,000		
	Mod 16 Babcock	Nov-20	Nov-20	2	0	1	7,200	3600	3600	TOTAL BESPOKE	0	0 8,000	0 22,942	7,200	0	0	0 11,954	0	0	0	0	0	7,200	61,442	39,49
MODULAR, I Modulars @																									
	Jan-20 to Jun-20 Jun-20 to Nov-20	Aug-20 Aug-20	Oct-20 Jan-21	15 23	0 2	1	4,495	300 0	300 0		9,375 0	12,500	15,625	12,500									50,000		
	Jan-21 to Jun-21 Jun-21-Nov 21	Jan-21 Jun-21	Jun-21 Nov-21	23 23	0	1 1	140,000 105,000	6087 4565	6087 4565	Total Modulars @ Perth	0 0 9.375	0	0	0	0	17,440 0	17,440 0 17,440	17,440 0	21,800 0 21800	17,440 0	17,440 18,261 35,701	0 22,739 22739	109,000 41,000 200,000	200,000	
		Total of Taug	tht Students	at Perth			158		L		5,57	12,500	15025	12,500		1/440	27,440	27,440	21000		33,701		200,000	200,000	
xamination						Stud"	Fee				32	26	28	24	14	10	54	18	48	30	31	19			
	Perth (Externals)	Aug-20	Jul-21	52	0	1 146	60 66		334 9636		1,880	1,560	1,680	1,440 3,000	840	600	3,240 3,000	1,080	2,880	1,800	1,860 0	1,140	20,000		
	Manchester					30	66		5050	Total Examinations	0	0	1,000	0 4,440	0 840	1,000	0 6,240	0	1,000	0	0	0	3,000	30,000	
Remote Site	s IAAT/CAAN	Start Oct-20	End Jun-21	20	0	1		Fe	e 3845		0	0	7,500	7,500	0	0	7.000	7.000	7.000	7.000	7.000	0	50.000		50.00
	IIOS (All Sites) itot Aviation	Aug-20 Aug-20	Jul-21 Jul-21	1	0	60 60	60 100		3600 6000		0	4,000	0 3,750	0	4,000	0 3,750	0	4,000	0 3,750	0	4,000	3,750	16,000 15,000		16,0 15,0
	ir Mauritius / RBS		Jul-21	22	0	10	240 130	240	240		0	0	3,750	3,750	3,750	3,750	3,750	3,750 3.000	0	0	3,750	3,750	30,000		30,00
	ast Wings Aviation	Aug-20 Aug-20	Jul-21	1	1	50	130		6500		0	3,000	10,000	10,000	3,000	0	0	3,000	0	0	3,000	0	12,000		12,00
к	enyan CAA PIC (New STPIII)	Aug-20 Jan-21	Aug-20 Jun-21	1	0	1			7,625		5,000	0	0	0	0	0	0	5,000	ŏ	0	ő	ő	10,000		10,00
P	PIC (New STPI!!)	Jan-21	Jun-21	1	0	380	60		22,800	Total Remote Sites	5,000	17,000	25000	21,250	20,750	7500	11,750 22,500	22,750	0 10750	7,000	17,750	7500	11,750 184,750		173,0
APPROVED S	ITES								[	TOTAL MODULAR, EXAMS & REMOTE SITES	16,255	31,060	43,305	38,190	21,590	26,540	46,180	41,270	39,430	26,240	55,311	31,379 0	416,750	369,988	46,76
	nnual Management Fee			52			30,000	577	-		2,308	2,308	2,885	2,308	2,885	2,308	2,308	2,308	2,885	2,308	2,308	2,885	30,000		30,00
	lotes & Exams (Legacy) ionsultancy (New)			52			180,000	3462	1443		5,772 13,846	5,772 13,846	7,215 17,308	5,772 13,846	7,215 17,308	5,772 13,846	13,846	13,846	17,308	13,846	13,846	17,308	37,518 180,000	1	37,51
E	xaminations (New)			4		60	75		18000	Total CAT	21.926	4,500	0	0	4,500	0	0	4,500	0	0	4,500	0	18,000 265,518	526.408	18,00 -260,89
	fanagement Fee (New)			52			25,955	499		Total CAT	1,997	1,997	2,496	1,997	2,496	1,997	1,997	1,997	2,496	1,997	1,997	265,518 2,496	25,955	320,408	25,95
	lasses 17-23						37,180			Total JORAMCO	£2,605 4,602	£2,605 4,602	£4,317 6,813	£3,454 5,451	£4,317 6,813	£3,454 5,451	£3,454 5,451	£3,454 5,451	£2,644 5,140	£2,115 4,112	£2,115 4,112	£2,646 5,142	37,180	75,000	37,18
									I	TOTAL APPROVED SITES	26,527	31,027	34,220	27,376	38,720	27,376	21,604	26,104	25,332	20,265	24,765	63,135 25,334 0	328,653	601,408	-272,7
CONSULTAN	CY Pitot Aviation/FAA			Days			F	ee/day Fe	e 66120		0	0	0	0	0	0	0	0	0	0	0	328,653			
	Pitot Aviation/EAA			114				580	66120		0	0	0	0	0	Ű	Û	0	0	0	0	0	0		
										TOTAL CONSULTANCY	^	0		0		0	0	0	0	0	0	0		30.000	-20.04

INCOME 2020-21					£ 2020	£ 2020	£ 2020	£ 2020	£ 2020	£ 2021	2020/21 £ 2021	£ 2021	£ 2021	£ 2021	£ 2021	£ 2021	£ PLAN
PROVED COURSES	Start	End		I	AUG 4	SEP 4	OCT 5	<u>NOV</u> 4	DEC 5	JAN 4	FEB 4	MAR 4	APR 5	<u>MAY</u> 4	JUN 4	JULY 5	TOTAL 52
ect Entry																	
26: 26			£29,750 of 2019/20 Cash £42,329 of 2019/20 Cash		29,750		_	42,329						42.329			29,750
265 (2 x Leonardo, income below,	., .	,	£39,750 of 2019/20 Cash			39,750		10,020						,			39,750
266		Apr-22			-												0
267 268		Aug-22 Apr-23				43,824						43,824		43,824			87,647 43,824
	,			Total Direct Entry	29,750	83,574	0	42,329	0	0	0	43,824	0	86,153	0	0	285,629
odern Apprenticeship (MA) MA:	Sep-20	May-24			0	8,000						8,000	0	0	0	0	16,000
Degree Programme				Total Direct Entry	0	8,000	0	0	0	0	0	8,000	0	0	0	0	16,000
Cohort 1	Sep-19	Jul-21		Scottish @ £5,580						124,975							124,975
Less college lecturers (2	19 hours @ £68 = £14,	892 or £310/wk)								(14,892)							(14,892)
				Sub-Total Cohort 1						110,083							110,083
Cohort Less college lecturers (2	Sep-19	Jul-21		Scottish @ £5,580						135,040 (16,184)							135,040
Less conege lécturers (2	30 HUUIS @ 108 = 116,	10+ 01 1337/WK)		Sub-Total Cohort 2						(16,184) 118,856							(16,184) 118,856
				Total BSc Courses	•					228,939		•		0		0	228,939
onardo / QEAF				Total Dat Courses	0	U	U	J	J	220,739	U	0	0				228,935
Leonardo Batch 2 B2/		Apr-21														300,375	300,375
Leonardo Batch 2 B2		Jul-21															0
Leonardo Batch 2 B1. Leonardo Batch 3 B2 TEL		Jan-22 Mar-21										10,000				16,688	26,688
Leonardo Batch 3 B2 TEL Leonardo Batch 3 B		Nov-22										10,000	13,906			10,000	26,688
				Total Leonardo	0	0	0	0	0	0	0	10,000	13,906	0	0	317,063	340,969
	Approved Students	at Perth		TOTAL APPROVED	29,750	91,574	0	42,329	0	228,939	0	61,824	13,906	86,153	0	317,063	871,537
SPOKE																871,537	
Royal Air Force of Oma		Mar-20					38,850						38,850				77,700
B1 to B2 Conversion (FIGAS Mod 16 Babcock		Sep-20 Nov-20				16,000		7 200									16,000
	107 20	1107 20		TOTAL BESPOKE	0	16,000	38,850	7,200	0	0	0	0	38,850	0	0	0	100,900
ULAR, EXAMS & REMOTE SITES																	
Jan-20 to Jun-21	Aug-20	Oct-20	£80,784 of 2019/20 Cash			80,784											80,784
Jun-20 to Nov-2		Jan-21															(
Jan-21 to Jun-2		Jun-21								60,000			49,000				109,000
Jun-21-Nov 2		Nov-21													70.000		70.000
301 22 1072		107 11	Total	Modulars @ Perth	0	80,784	0	0	0	60000	0	0	49000	0	70,000	0	259,784
ninations					32	26	28	24	14	10	54	18	48	30	31	19 33	
Perth (Externals	Aug-20	Jul-21			1,880	1,560	1,680	1,440	840	600	3,240	1,080	48	1,800	1,860	19 33	20,000
Telfor						,	,	3,000			3.000	,	3,000	,	,	, .	9,000
Mancheste							1,000			1,000			1,000				3,000
note Sites	Start	End		otal Examinations	1,880	1,560	2,680	4,440	840	1,600	6,240	1,080	6,880	1,800	1,860	1,140	32,000
NAAT/CAAN	Oct-20	Jun-21					15,000				17,500					17,500	50,000
HIOS (All Sites)	Aug-20	Jul-21				4,000			4,000			4,000			4,000		16,000
Pitot Aviation	Aug-20	Jul-21					3,750			3,750			3,750			3,750	15,000
Air Mauritius / RBS	Aug 20	Jul-21				3.000	22,500		3.000			3.000			7,500		30,000
East Wings Aviation Prestwick Air Maintenance	Aug-20 Aug-20	Dec-20				3,000 40,000			3,000						3,000		40,000
Kenyan CAA	Aug-20	Aug-20			5,000							5,000					10,000
PPIC (New STPI)	Jan-21	Jun-21		Total Remote Sites	5.000	47.000	41250	0	7.000	3750	11,750 29,250	12.000	3750	0	14,500	21,250	11,750
TOVED SITES			TOTAL MODULAR, EXAN	S& REMOTE SITES	6,880	129,344	43,930	4,440	7,840	65,350	35,490	13,080	59,630	1,800	86,360	22,390	476,534
Management Fee (Legacy)																	(
Annual Management Fee Notes & Exams (Legacy)										15,000 37.518				15,000			30,000
Consultancy (New)										90,000				90,000			180,000
Consultancy (New)						4,500			4,500			4,500			4,500		18,000
Examinations (New)				Total CAT	0	4,500	0	0	4,500	142,518	0	4,500	0	105,000	4,500	0 265,518	265,518
Examinations (New)																25,955	25,955
Examinations (New) AMCO Management Fee (New)					0	0	0	0	0	0	0	0	0	0	0	£37,180 63,135	37,180
Examinations (New)				Total IOBAA100		0	0	0	U U	0	0	0	0	U	a	63,135	03,135
Examinations (New) MCO Management Fee (New)				Total JORAMCO												63,135	
Examinations (New) AMCO Management Fee (New) Classes 17-23			TOTA	Total JORAMCO		4,500	0	0	4,500	142,518	0	4,500	0	105,000	4,500	63,135	328,653
Examinations (New) AMCO Management Fee (New)			TOTA			4,500	0	0	4,500	142,518	0	4,500	0	105,000	4,500		328,653
Examinations (New) AMCO Management Fee (New) Classes 17-23 KULTANCY				L APPROVED SITES	0	4,500	0	0	4,500	142,518	0	4,500	0	105,000	4,500	63,135 328,653	328,65
Examinations (New) AMCO Management Fee (New) Classes 17-23 NSULTANCY					0	4,500 0	0	0	4,500 0	142,518	0	4,500	0	105,000	4,500 0	63,135	328,65
Examinations (New) AMCO Management Fee (New) Classes 17-23 SULTANCY			то	L APPROVED SITES	0	4,500 0 241,418	0 0 82,780	0 0 53,969	4,500 0 12,340	142,518 0 436,807	0 0 35,490	4,500 0 79,404	0 0 112,386	105,000 0 192,953	4,500 0 90,860	63,135 328,053	328,653

#### A.S.T. ENGINEERING LTD

#### NET CASH FLOWS (<u>NO GIFT AID</u>)

BUDGET FOR THE YEAR ENDING 31ST JULY 2021

NET CASH FLOWS	-	AUG	SEP	OCT	NOV	DEC	JAN	BUDGET FEB	MAR	APR	MAY	JUN	JUL	TO
	NO.OF WEEKS	4	4	5	4	5	4	4	4	AFR 5	4	4	5	.5
come		-	-	•	-	•	-	-	-		-	-	•	
aining Income - INWARD CASH onsultancy	2020/2021 CASH ONLY!!	6,880	128,884	82,780	11,640	12,340	436,827 Included in Trai	35,490 ning Income	71,404	112,386	192,953	90,860	402,588	1,5
ravel Expenses Recharged to customers ther Income	30,000	2,500 0	2,500 0	2,500 0	2,500 0	2,500 0	2,500 0	2,500	2,500 0	2,500 0	2,500 0	2,500 0	2,500	
	INWARD CASH	9,380	131,384	85,280	14,140	14,840	439,327	37,990	73,904	114,886	195,453	93,360	405,088	1,
			-			-						-	1,615,031	
irect costs - Lecturing														
alaries Lecturers		50,779	50,779	50,779	50,779	50,779	50,779	50,779	50,779	50,779	50,779	50,779	50,779	
80% Salary Holiday		(9,869)	(9,869)	(9,869)	(9,869)	(9,869)								
Overseas Allowance	16,000	1,333	1,333	1,333	1,333	1,333	1,333	1,333	1,333	1,333	1,333	1,333	1,333	
raining Equipment & Consumables	12,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	
xternal Training for Students					28,000							8,000	8,000	
Approving/Examining Body (CAA)	50,000	12,500			12,500			12,500			12,500			
Staff Training	5,000	c cc7	c c c 7	1,250	c cc7	c c c 7	1,250	c c c 7	c cc7	1,250	c cc7	c c c 7	1,250	
ravel - Lecturing /iscellaneous	80,000 5,000	6,667 417	6,667 417	6,667 417	6,667 417	6,667 417	6,667 417	6,667 417	6,667 417	6,667 417	6,667 417	6,667 417	6,667 417	
Corporate Workwear	7,000	417	417	417	417	417	417	41/	417	417	417	3,000	417	
orporate workwear	OUTWARD CASH (Direct Costs)	62,826	50,326	55,576	90.826	50.326	61,445	72,695	60,195	61,445	72,695	71,195	69,445	
	Softman ensit (Sincer costs)	02,020	50,520	55,570	50,020	50,520	01,445	72,055	00,155	02,445	72,000	71,155	778,999	
	NET CASH (Training) -	53,446.13	81,057.37	29,703.87 -	76,686.13 -	35,486.13	377,881.51 -	34,705.49	13,708.01	53,440.51	122,757.01	22,164.51	335,642.51	
													836,031	
ndirect Costs		20.000	20.050	20.050	20.050	20.000	20.050	20.050	20.000	20.000	20.050	20.000	20.050	
Salaries - Managers & Administration		38,659	38,659	38,659	38,659	38,659	38,659 0	38,659 0	38,659 0	38,659 0	38,659 0	38,659	38,659	
80% Salary Holiday		-5,556	-5,556	-5,556	-5,556	-5,556	U	U	U	U	U	0	0	
Staff Pension Admin Costs	10,000	833	833	833	833	833	833	833	833	833	833	833	833	
Car Parking Passes	1,800	1,800	000	000	0	000	833 0	000	0	0	0	0	000	
Rent at Scone	1,800	9,167	9,167	9,167	9,167	9,167	9,167	9,167	9,167	9,167	9,167	9,167	9,167	
Rates at Scone	59,040	4,920	4,920	4,920	4,920	4,920	4,920	4,920	4,920	4,920	4,920	4,920	4,920	
nsurance at Scone	12,000	4,520	4,520	4,520	4,520	4,520	4,520	4,520	-1,520	4,520	4,520	4,520	12,000	
ight, Heat & Power	24,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	
Property Maintenance at Scone	24,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	
Telephone at Scone & Mobiles	18,000	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	
Fransport Costs	12,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	
egal & Audit Fee	20,000			5,000						15,000				
Provision for Doubtful Debts	12,000												12,000	
Postage & Stationery	2,000	167	167	167	167	167	167	167	167	167	167	167	167	
Computer Maint. & Software(inc Website)	10,000	833	833	833	833	833	833	833	833	833	833	833	833	
Subscriptions	7,500	2,500				2,500				2,500				
Bank Charges	3,000	250	250	250	250	250	250	250	250	250	250	250	250	
College Management Charge	100,000 40.000	2 2 2 2	34,000	2 2 2 2	3.333	2 2 2 2	33,000 3,333	2 2 2 2	3,333	2 222	33,000	2 2 2 2	0	
Marketing & Advertising (inc Travel) Agents commission	40,000	3,333	3,333	3,333 2,000	3,333	3,333	3,333	3,333	3,333	3,333	3,333	3,333 1,000	3,333	
Extraordinary Items- One off	5,000	417	417	2,000	417	417	417	417	417	417	417	417	417	
Sift Aid	3,000	417	41/	417	417	41/	417	417	417	417	417	417	417	
	OUTWARD CASH (Indirect Costs)	63,824	93,524	66,524	59,524	62,024	98,079	65,079	65,079	82,579	98,079	66,079	89,079	
													909,473	
RADING PERFORMANCE		(	(12 466)	(36 820)	(	()		()	(= )	(		(		
	TRADING - NET CASH TRADING - CUM CASH	(117,270) (117,270)	(12,466)	(36,820)	(136,210) (302,765)	(97,510) (400,275)	279,802 (120,473)	(99,785) (220,258)	(51,371) (271.629)	(29,139) (300,768)	24,678 (276,090)	(43,915) (320.005)	246,563 (73,442)	
	TRADING - COM CASH	(117,270)	(125,730)	(100,550)	(302,703)	(400,273)	(120,473)	(220,238)	(271,023)	(300,708)	(270,050)	(320,003)	(73,442)	
VERALL PERFORMANCE														
Additional Instructor (1 off)	20,064	0	0	0	0	0	0	3,344	3,344	3,344	3,344	3,344	3,344	
Organisation adjustments	15,000	0	0	0	0	0	0	0	2,000	2,000	2,000	2,000	2,000	
Organisation adjustments	15,000	0	0	0	0	0	0	0	2,000	2,000	2,000	2,000	2,000	
Investment - IT & Systmes (inc GEM	5)	0	0	0	0	0	0	0	0	0	0	0	10,000	
Investment - Training Aids		0	0	0	0	0	0	0	0	0	0	0	30,000	
Depreciation (new investments below)	) _	0	0	0	0	0	0	0	0	0	0	0	6,000	
	-	0	0	0	0	0	0	3,344	7,344	7,344	7,344	7,344	53,344	
	OVERALL - NET CASH	(117,270)	-12,466	-36,820	-136,210	-97,510	279,802	-103,129	-58,715	(36,483)	17,334	(51,259)	193,219	(:
	OVERALL - CUM CASH	(117,270)	(129,736)	(166,556)	(302,765)	(400,275)	(120,473)	(223,602)	(282,317)	(318,800)	(301,466)	(352,725)	(159,506)	
	oversite contrasti													
											6.1. H.H		(24, 225)	
											Salary Holiday F	Repayment	(21,000)	
											Salary Holiday F	Repayment		
											Salary Holiday R	Repayment	(21,000) (180,506)	

COURSE DESCRIPTION	Sales £	Sales %	Sales £	Sales %
APPROVED COURSES				
Direct Entry - Current	193,846	10.8%	339,612	9.3%
Direct Entry - New Start	108,087	6.0%	75,848	5.2%
Modern Apprenticeship	16,000	0.9%	-	0.8%
BSc	228,959	12.8%	127,284	10.9%
Leonardo / QEAF	399,178	22.3%	424,342	19.0%
Customer TBA	-	0.0%	72,698	0.0%
Total - Approved Courses	946,070	52.8%	1,039,786	45.1%
BESPOKE COURSES	77 700	4.20/	50.004	2 70/
RAF Oman Officer Training	77,700	4.3%	50,804	3.7%
B1 to B2 Conversion (FIGAS)	16,000	0.9%	-	0.8%
Mod 16 Babcock	7,200	0.4%	-	0.3%
Keilir	-	0.0%	10,638	0.0%
Total - Bespoke Courses	100,900	5.6%	61,442	4.8%
MODULAR, EXAMS & REMOTE				
Modular @ Courses - Perth	200,000	11.2%	200,000	13.1%
Total - Modular	200,000	11.2%	200,000	13.1%
Examinations				
Externals @ Perth	20,000	1.1%	30,000	1.0%
Telford	9,000	0.5%	-	0.5%
Manchester	3,000	0.2%	-	0.3%
Total - Examinations	32,000	1.8%	30,000	1.7%
Remote Sites				
NAAT (Nepal)	50,000	2.8%	20,000	5.5%
HIOS (ALL)	16,000	0.9%	27,000	0.8%
Pitot Aviation	15,000	0.8%	15,000	1.1%
Air Mauritius / RBS	30,000	1.7%	33,948	3.5%
East Wings Aviation	12,000	0.7%	12,000	1.2%
Prestwick Air Maintenance	40,000	2.2%	23,040	2.5%
Kenya CAA	10,000	0.6%	9,000	0.7%
PPIC (New STPI)	11,750	0.7%	-	1.1%
Total - Remote	184,750	10.3%	139,988	16.4%
Total - Modular, Exams & Remote	416,750	23.3%	369,988	31.2%
Total - Modular, Exams & Remote	410,750	23.3%	309,988	51.2%
SECOND SITES				
CAT	265,518	14.8%	526,408	12.7%
JORAMCO	63,135	3.5%	75,000	3.0%
Total - Second Site	328,653	18.3%	601,408	15.7%
CONSULTANCY				
Pitot Aviation/EAA		0.0%	30,000	3.2%
Total - Consultancy	-	0.0%	<b>30,000</b>	3.2%
i otai - Consultancy	-	0.0%	50,000	5.2%
TOTAL	1,792,373	100%	2,102,624	100%

Income & Expenditure	2020/21 Budget	2019/20 Budget	Variance
Income			
Training Income	1,792,373	2,102,623	(310,251)
Consultancy	1,792,373	2,102,023	(510,251)
Travel Expenses Recharged to customers	30,000	60,000	(30,000)
Other Income	0	1,000	(1,000)
Total - Income	1,822,373	2,163,623	(341,251)
Direct costs - Lecturing	1,022,373	2,103,023	(341,231)
Salaries Lecturers	609,346	652,178	(42,832)
Additional Instructors	0	63,846	(63,846)
Overseas Allowance	16,000	20,000	(4,000)
Training Equipment & Consumables	12,000	15,000	(3,000)
External Training for Students	44,000	50,000	(6,000)
Approving/Examining Body (CAA)	50,000	50,000	_
Staff Training	5,000	10,000	(5,000)
Travel - Lecturing	80,000	80,000	-
Miscellaneous	5,000	5,000	-
Corporate Workwear	7,000	9,000	(2,000)
Total - Direct Costs	828,346	955,024	(126,678)
LECTURING PROFIT/(LOSS)	994,027	1,208,599	(214,573)
la dias st Os sta			
Indirect Costs Salaries - Managers & Administration	462.012	468,789	(4,877)
Staff Pension Scheme Administration Costs	463,912		(4,077)
	10,000	10,000	-
Car Parking Passes Rent at Scone	1,800	1,800	-
Rates at Scone	110,000	110,000	- 9,040
Insurance at Scone	59,040 12,000	50,000 10,600	9,040 1,400
Light, Heat & Power	24,000	21,500	
Property Maintenance at Scone	24,000	30,000	2,500 (6,000)
Telephone at Scone & Mobiles	18,000	14,000	4,000
Transport Costs	12,000	15,000	(3,000)
Legal & Audit Fee	20,000	19,000	1,000
Provision for Doubtful Debts	12,000	12,000	1,000
Postage & Stationery	2,000	4,500	(2,500)
Computer Maint. & Software(inc Website)	10,000	7,000	3,000
Subscriptions	7,500	4,000	3,500
Bank Charges	3,000	5,000	(2,000)
College Management Charge	100,000	105,500	(5,500)
Marketing & Advertising (inc Travel)	40,000	60,000	(20,000)
Agents commission	3,000	3,000	(,,
Extraordinary Items- One off	5,000	5,000	-
Total- Indirect Costs	937,252	956,689	(19,437)
Gross Profit (Loss)	56,775	251,910	(195,136)
EXCEPTIONAL ITEMS			
Salary Holiday (Instructors) to 31/12/2020	(49,347)	0	(49,347)
Salary Holiday (Instructors) to 31/12/2020 Salarry Holiday (Managers) to 31/12/2020	(49,347) (27,779)		(49,347) (27,779)
Salarry Holiday (Managers) to 31/12/2020 Salary Holiday (Repayment)	(27,779)	0	(27,779)
Organisation Adjustments		30,000	(20,000)
IT (Replacement Ocs)	0		(30,000)
Digitisation / New Planner	0	6,667 15,000	(6,667)
-		15,000	(15,000)
Support to TCD and Other Growth Deals	0	10,000	(10,000)
Depreciation (new investments below)	0	30,000	(30,000)
NET Profit / Loss	133,900	160,243	(26,343)



# Paper 8

Committee	Board of Management
Subject	BACS Application Form
Date of Committee meeting	10/06/2020
Author	Henry Nicholson, Financial Accountant
Date paper prepared	03/06/2020
Executive summary of the paper	College Bankers require updated BACS authorisation mandate to be approved by Board to enable normal processing of payments.
Consultation	n/a
How has consultation with partners been carried out?	
Action requested	□ For information only
	□ For discussion
	□ For recommendation
	⊠ For approval
Resource implications	No
(If yes, please provide details)	
Risk implications	No
(If yes, please provide details)	Click or tap here to enter text.



Link with strategy	No
Please highlight how the paper links to the Strategic Plan, or assist with:	
<ul> <li>Compliance</li> <li>National Student Survey</li> <li>partnership services</li> <li>risk management</li> <li>other activity [e.g. new opportunity] – please provide further information</li> </ul>	
Equality and diversity	No
Yes/ No	
If yes, please give details:	
Island communities	No
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 If yes, please give details: Click or tap here to enter text.
Does this activity/ proposal have an effect on an island community which is significantly different from its effect on other communities (including other island	If yes, please give details:
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)?	If yes, please give details: Click or tap here to enter text.



Freedom of information	Open business
Can this paper be included in "open" business?*	

\* 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

## **Bacs/Bacstel-IP Services**

**Direct - Direct Debit and Direct Credit Unincorporated** 

Applied for		NEW SETUP		
1. Customer de	tails	D		
Name		BOARD OF MANAGEMENT OF PER	TH COLLEGE	
(if applicable)				
Report notificati	on e-m	nail address () (the e-mail address to v	which you wish your Ba	cstel-IP report notification to be sent)
		PCFINANCIALACCOUNTS.PERTH@	DUHI.AC.UK	
If you are submi	ittina o	utside of the UK please specify locatio	n	
	J			
1.1 Customer A	ddres	s Details 🖬		
		·	Correspond	dence address
Address line 1	PERT	TH COLLEGE	Address line 1	
Address line 2	BRAH	HAN BUILDING	Address line 2	
Address line 3	CRIE	FF ROAD	Address line 3	
Address line 4	PERT	ГН	Address line 4	
Address line 5			Address line 5	
Post code	PH1 :	2NX	Post code	
2. Account deta	ails			
Account numbe	r		Sort code	834700
Item limit (i)				
Direct Debit users £ 2,900,000			1 Direct Credit us	ers £ 2,900,000
3. Bureau detai	ls – if	applicable (i		
		nents under this service user number f either for regular payments or continge		Yes No
If 'Yes', please o	comple	ete below then go to Section 5. If 'No',	please go to Section 4.	

Royal Bank of Scotland

### 4. Connection details (1)

	Suppliers name	Package name(s) and / or package ID(s)	Version
Bacstel-IP software details	AUTOMATED PAYMENT TRANSFER	I-CONNECT	1.2.1.2

## 5. Primary Security Contacts (1)

By signing, the Primary Security Contacts named below:

- acknowledge that the Bank will need to disclose the Primary Security Contacts' identity and other information to its contractors and agents who are providing goods and/or services to the Bank in connection with the Bacs/Bacstel-IP Services and that identifiers relating to you will appear on various computer systems and records of the Bank, Bacs and others in relation to transactions made under the Bacs/Bacstel-IP Services.
- authorise the Bank to make disclosures of information regarding the Primary Security Contacts as are reasonably required in connection with the operation of the Bacs/Bacstel-IP Services.

<b>Primary Security Contac</b>	t 1		
Title	Mr		
Contact name (firstname and surname)	HENRY NICHOLSON		
Daytime contact number (including area code)	+ 01738877231		
Out of hours contact number (including area code) (mandatory)	+		
Email	HENRY.NICHOLSON.PERTH@UHI.AC.UK		
Does this Primary Security BACSTEL-IP Service in th	/ Contact have an existing Smartcard for the NatWest e same legal entity?	Yes	No 🕅

If 'No', a Smartcard will be issued.

#### Primary Security Contact 1

Full Name	HENRY NICHOLSON
Date (DD/MM/	YYYY) 10/06/2020

Primary Security Contac	et 2
Title	Mrs
Contact name (first name and surname)	LYNNE GRIFFIN
Daytime contact number (including area code)	+ 01738877121
Out of hours contact number (including area code) (mandatory)	+
Email	LYNNE.GRIFFIN.PERTH@UHI.AC.UK
Does this Primary Securit BACSTEL-IP Service in t	y Contact have an existing Smartcard for the NatWest ne same legal entity? Yes No

If 'No', a Smartcard will be issued.

Primary Security Contact 2

Full Name	LYNNE GRIFFIN
Date (DD/MM/	YYYY) 10/06/2020
Add another	Remove

## 5.3 Card details ()

The above Primary Security Contacts will be issued with a Smartcard each and one card reader (refer standard package).

We will provide you with 1 Card Reader as standard. If you require additional Card Readers, please indicate how many 0

### 6. Bacs/Bacstel-IP Services Agreement

The Bacs/Bacstel-IP Services Customer Terms and Conditions and the Business Customer Agreement for the TrustAssured Services Terms and Conditions are available to be read and printed online.

Please go to <u>www.rbs.co.uk/terms</u> and enter rbs086865t for the Bacs/Bacstel-IP Services Customer Terms and Conditions and rbs086903t for the TrustAssured Services Terms and Conditions.

If for any reason you are unable to access them online, please ask your Relationship Manager for a copy.

By signing:

• You confirm the details on the Application form are correct and agree to notify the Bank of any changes.

• You nominate the individuals whose details appear in Section 5 as your Primary Security Contacts and have authorised the Primary Security Contacts to operate the Bacs/Bacstel-IP Services; you further confirm you have authority to appoint or remove Primary Security Contacts.

• You confirm that you have authority, in accordance with your Bank Mandate, to sign for and on behalf of the Customer including any variations to the terms of the Bacs/Bacstel-IP services such as the addition or removal of accounts of the Customer to or from those services.

• You agree the Bacs/Bacstel-IP Services Customer Terms and Conditions and the Business Customer Agreement for the TrustAssured Services Terms and Conditions.

Customer signature(s)

Customer signature(s)

Full Name MARGARET COOK	Full Name HENRY NICHOLSON
Date (DD/MM/YYYY) 10/06/2020	Date (DD/MM/YYYY) 10/06/2020

The last page should be retained by you.

7. Direct Debit origin	ators database contact and scheme details – Direct Deb	oit users only 🧃
Date (DD/MM/YYYY)	10 / 06 / 20 2 0	
Service user number		
Sponsor code	0 0 6	
Amendment type		
Name	CARRI-ANNE FRANCE	
Address line 1	PERTH COLLEGE	
Address line 2	BRAHAN BUILDING	
Address line 3	CRIEFF ROAD	
Address line 4 OR overseas country	PERTH	
Post code	PH12NX	
Contact number	+ 01738877235	
Fax number		

# Bacs/Bacstel-IP Services Appendix A

Excerpt Minute, Unincorporated Body

### Excerpt from Minute of Meeting of the Members/Committee

of (name of organisation)	BOARD OF MANAGEMENT OF PERTH COLLEGE	("the Organisation")
held at (address)	BOARD ROOM, PERTH COLLEGE	
	CRIEFF ROAD, PERTH	
	PH1 2NX	
on (DD/MM/YYYY)	10/06/2020	

Having considered:

(a) the Bacs/Bacstel-IP Services Application Form (as appropriate);

(b) Bacs/Bacstel-IP Services Customer Terms and Conditions; and

(c) the Business Customer Agreement for the TrustAssured Service, together with the "Terms and Conditions", it was resolved:

1. that the Terms and Conditions be hereby approved and adopted by the Organisation as the terms on which the Organisation shall use the Bacs/Bacstel-IP Services; and

2. that (Insert names of each of those signing Section 6 of the application form (6. Customer agreement))

|--|

be and is/are hereby authorised (1) to sign on behalf of the Organisation the Bacs/Bacstel-IP Services Application Form(s) for the Bacs/Bacstel-IP Services ("the Agreement"), a copy of which was produced to the Meeting; and (2) to deliver the Agreement to the Bank together with this Excerpt members/Committee Minute; and (3) from time to time at their discretion to add to or remove from the arrangements covered by the Agreement such accounts of the Organisation as they shall determine; and (4) from time to time to appoint such persons as they shall determine as Primary Security Contacts in

addition to or in substitution for the persons referred to in resolution 3 below and also at their discretion to terminate any appointment as a Primary Security Contact; and (5) from time to time and in accordance with and subject to such directions as the Organisation may from time to time stipulate and on behalf of the Organisation to enter into and to bind the Organisation to such variations of the Agreement or the terms of the Bacs/Bacstel-IP Services or other contracts or documents relating to the Bacs/Bacstel-IP Services as they shall consider appropriate and in the interests of the Organisation provided that the Bank shall be entitled to assume that any such act performed by the persons hereby authorised complies with all the requirements of the members/Committee and this paragraph; and

3. that the Organisation permits

(Insert names of each of those signing Section 5 of the application form (5. Primary Security Contacts))

1. HENRY NI	CHOLSON
-------------	---------

2. LYNNE GRIFFIN

(the "Primary Security Contacts") to operate on the Organisation's Account(s) kept with the Bank to access and to use the Bacs/Bacstel-IP Services; and

4. that the persons named as Primary Security Contacts under or pursuant to these resolutions are each authorised to receive on behalf of the Organisation the security devices referred to in the Terms and Conditions, and

5. that these resolutions do not in any way limit or affect the existing authorities to the Bank for operations on the Organisation's account(s).

I certify that the above is a true excerpt from the recorded minutes of the Organisation.

Signature of Chairman



Name	BRIAN CRICHTON
Date (DD/MM/YYYY)	10/06/2020

RBS201096 (10/07/2019)

# Royal Bank of Scotland

# **Bacs/Bacstel-IP Services Agreement**

The Bacs/Bacstel-IP Services Customer Terms and Conditions and the Business Customer Agreement for the TrustAssured Services Terms and Conditions are available to be read and printed online.

Please go to <u>www.rbs.co.uk/terms</u> and enter rbs086865t for the Bacs/Bacstel-IP Services Customer Terms and Conditions and rbs086903t for the TrustAssured Services Terms and Conditions.

If for any reason you are unable to access them online, please ask your Relationship Manager for a copy.

By signing:

• You confirm the details on the Application form are correct and agree to notify the Bank of any changes.

• You nominate the individuals whose details appear in Section 5 as your Primary Security Contacts and have authorised the Primary Security Contacts to operate the Bacs/Bacstel-IP Services; you further confirm you have authority to appoint or remove Primary Security Contacts.

• You confirm that you have authority, in accordance with your Bank Mandate, to sign for and on behalf of the Customer including any variations to the terms of the Bacs/Bacstel-IP services such as the addition or removal of accounts of the Customer to or from those services.

• You agree the Bacs/Bacstel-IP Services Customer Terms and Conditions and the Business Customer Agreement for the TrustAssured Services Terms and Conditions.



### Chair's Report for Perth College Board of Management Board Meeting, 10th June 2020

Chair's activity since our last board meeting has primarily been taken up with Employers' Association, Colleges Scotland and Regional Strategic Committee matters. As an elected Academic Partner Chair I also attended UHI Court. I have reported a significant amount to the Board directly after meetings, and in this report I shall concentrate on headlines and themes.

Prime concerns of the College Sector continue to be around managing Covid19 issues and of course short, medium, and long-term financial sustainability . To be clear, Covid 19 has simply sharpened our focus on something that was looming in any case. The immediate financial shortfall in the College Sector is of the order of £25M rising to over £100 M next academic year and while we are looking to Scottish Government and funding bodies for solutions, it is essential that we have a voice in determining a sensible long-term road map that does not disadvantage the learner.

### **Regional Strategic Committee**

The first Regional Strategic Committee (RSC) meeting took place on 30<sup>th</sup> April. RSC takes the place of FERB and is a consequence of the Programme Board and Governance and accountability Working Group Activity. The first meeting was a qualified though there is a deal of work to be done to ensure RSC functions according to the terms of reference. The next meeting is scheduled for September unless current events force an extraordinary meeting.

### **Employers Association**

EA held a virtual residential meeting mid-May. It was a constructive meeting and despite the number of delegates went off very smoothly over two half-day sessions. Principal elements of discussion included:

- Covid 19 Updates, interactions with SG/SFC and other agencies, and a general exchange on how the sector is coping.
- Continuing discussions with Unions on wage claims and related issues on which we
  can expect little relief. It is not clear where these will lead, particularly with
  uncertainty around how the SG may deal with public sector salaries as we emerge
  from the Covid19 crisis and enter a recession the magnitude of which is also
  uncertain.
- EA resolved to move forward with a plan to re-align the negotiation process –
  effectively to have separate "tables" for each constituency (Lecturers, Support,
  Principals/Senior Management) and move away from the Central Table/Side table
  concept that has proven complex with two constituencies and would be even more
  so with three.

### **Colleges Scotland/Chairs Discussions.**

There have been three "All-Chairs" discussions over the last six weeks or so. This has been a bit of a departure for all chairs to meet regularly and generally has been quite successful.

- The first meeting was focused on an exchange of ideas on how we are all coping with Covid19 and was positive in that there was open discussion and a clear willingness to engage with SG and the Agencies on determining our future.
- The second meeting was with the minister and was also very positive. It is clear we have a supportive minister, sensitive to our issues, but also with his hands to some degree tied by the magnitude of the emerging financial issues our country will face. There was clear reference in this forum (and elsewhere) that Colleges must play a central role in Scotland's recovery. There have also been continued but more nuanced messages that once we are through the crisis and out the other side the FE/HE sector will not look the same as it does now and we are encouraged to help shape our future. There will be a second ministerial meeting on 17<sup>th</sup> June.
- The third meeting reviewed the ministerial meeting and we made a start to
  determining what elements were critical for us to contribute to shaping our future. A
  recurring theme was that we need more than a place at the table we need to be
  influential. Future discussions will focus on how we move forward with ideas on
  close-coupling of the college sector to regional economies, how we demonstrate and
  strengthen the social role that colleges play particularly with respect to digital
  deprivation, and how we can redefine and optimise the delivery model while
  recognising that there must be a place for continued learner attendance at College
  campuses the answer will not be about wholesale moving to networked delivery as
  there is a substantial body of evidence emerging that employers and learners need,
  want and value being physically at college.

### Perth College, Financial Sustainability and the Future

I continue to have great concern over our financial sustainability. The expectation for this academic year is not good, and without intervention our situation will only get worse, as we'll see at this board meeting. We have made a start in conceptual terms in determining our long-term options to best deliver our core regional offer across FE and HE. It is vitally important that we continue to be an influential voice in transforming the UHI partnership, while ensuring that the Perth College offer is not diluted through the transformation. It is also vital that we increase our engagement and influence with local stakeholders to ensure we are well positioned to be a vital part of the recovery of Perthshire, Kinross and Tayside.

I would like to record my appreciation of the great efforts that the SMT, staff, students and college community have made in keeping this college operational during the continuing Covid 19 situation. We shall be starting up again and open for business in some form in the new academic year, and our focus between now and then must be on how we can best deliver a blended learning experience as we deal with the inevitable consequences of physical distancing.

Brian Crichton Chair, Perth College UHI Board of Management, 29<sup>th</sup> May 2020.

### Board of Management – 10 June 2020

### **Principals Report**

# Introduction

This report largely covers the entire period of COVID19 to date and all the issues raised relate to the current emergency.

Firstly, I would want to recognise the efforts of all of our staff in getting us to the position we are currently in where all of our activity has moved from face to face to on-line. This was a very quick and difficult transition but one which everyone worked together to achieve.

I have split the report into two distinct sections, this academic year and dealing with the immediate issues and then next academic year planning for our delivery in 20/21.

# This year's activity

All of our student activity has moved on-line for the remainder of this academic year, our HE students have completed their semester and FE students will complete shortly. The engagement of our students with this new way of teaching has been variable and to generalise our HE students have coped and engaged more fully than our FE students.

All of our students have faced challenges from digital poverty and issues of connectivity to shielding, childcare, other caring responsibilities and a myriad of other issues which have made engagement difficult for them. Staff have worked with students collectively and individually to support students whilst facing many of the same challenges as the students.

As a college we have tried as much as possible to provide technology to students and significant numbers of laptops have been given out to the students and our IT staff have been in college on a Wednesday morning to hand out laptops but also to support students who have technical problems. The full IT service is being delivered remotely so staff and students can access technical support. It is more difficult to support students who do not have access to broadband at home. The issue of digital poverty is one which has been recognised by the government with announcements of funding to support this but it is difficult to see how the sums announced will address the fundamental problem.

We are providing all of our student support functions remotely allowing our students to access the full range of support.

All of our professional services functions are operating remotely.

SMT are communicating with staff through a weekly newsletter which has been positively received.

We have a COVID19 meeting on a weekly basis within the college to identify and solve any problems which arise initially this meeting was more frequently but as things have settled down we reduced the frequency of meetings. All of our other internal meeting/committees have continued as normal.

# **External Engagement**

Our engagement as an individual college and as part of the wider sector with other sector bodies has been variable –

SQA has proved to be a significant challenge to the sector and we still do not have clarity for all of our student groups on how their assessment process will be managed. Some positive work has been done but it has been a difficult process.

SDS have been and continue to be a problem as the sector has no clarity of the funding we will receive in this year and going forward. This issue has been raised with the Ministers responsible.

There was significant interaction with UHI on the subject of assessments and completion and this also proved to be challenging. There is still a significant workload for staff to complete the year and to engage with the resit process.

SFC was initially reluctant to engage with the sectors but through significant national pressure are more engaged with the sectors, we are providing them with our preferred solutions and this appears to be working to some degree now although we still have no clarity of funding going forward. SFC encouraged institutions to use the Job Retention Scheme to maximise the income into colleges and we have used this scheme for a number of staff topping up the salaries to the full amount.

I and other colleagues have been involved in significant pieces of work through Colleges Scotland, this has involved weekly Principals meetings, Vice Principal forum, Business Development Directors meetings all focussed on working with stakeholders to achieve the best outcomes for the sector and therefore for our students. There has been significant Ministerial interaction both with the Principals and with the Chairs, our messages and our asks are very clear to Ministers but this has not always resulted in the outcomes within the timescales which we would have liked to achieve.

UHI has a Crisis Management Group which meets twice weekly (previously met daily) to address issues within the partnership.

# Planning for 20/21

We are now looking at how we progress into the next academic year when there is still significant uncertainty. UHI have been clear that the academic year for HE will start on 7 September, individual academic partners have discretion over when the FE year will start although we are conscious that the schools will start on 11 August and this will impact on our dates as we have our schools' programmes to deliver from the 11<sup>th</sup>.

Curriculum – UHI are currently undertaking an assessment of readiness to deliver our FE and HE programmes on-line. This work is being undertaken through the university academic structure and we expect to get sight of the outputs shortly. It is unclear what will happen where it is deemed that it is not possible to run a programme with little access to the campus for practical work. We will do everything that we can to re-order delivery to ensure that the maximum number of programmes run for our students in Perth using a blended approach. It is also unclear what the financial consequences will be from this exercise.

Our recruitment figures are currently holding up and we held a virtual open day last week and hope that this and other activity will increase our applications but there is a nervousness across the sectors about student numbers not achieving target. Estates changes – we have established a group looking at the logistics of reopening our campus. We are very much aware of the government guidance and will not open unless we can offer a safe environment to our students and staff. This work is progressing and will involve our TU colleagues and staff across the institution.

We are also aware that there will be additional cost in some of the changes we may have to make and equipment we will have to purchase. We currently have no visibility on additional funding for any of this however it is essential that we move ahead with this.

I have given notice to the COVID19 Testing Centre to vacate by the end of July as we cannot reopen with the centre in the car park.

This work will continue over the summer period and given that other institutions eg schools and colleges in England are open or about to open we will learn the lessons from them in our planning processes. There will also be government guidance issued for the sector and this should be available shortly.

# Summary

Our staff and students have worked extremely hard to get us to the position we are in and I am grateful to them for this, we will continue to work to ensure that we have positive outcomes for this year and are in a strong position to open for next year. We all acknowledge that our delivery in next academic year will be different to the norm but we will work to ensure that it is as positive experience as possible.

### Paper 11

# HISA Perth Plan of Work 2019-2020 End of Year Review

# Introduction

Below is a summary of the work undertaken by HISA Perth during academic year 2019-2020. As well as the indicators set out throughout the academic year, more context will be provided to give a full picture of the activities undertaken. COVID-19 has affected the operational activities of HISA Perth meaning some indicators have not been able to be implemented in the initial way they were anticipated, have not been able to be taken forward at all or will be taken forward into the next academic year. Indications of next year's plan of work will also be included as well as interim plans for the organisation.

# 1 Priority Plan of Work

Executive Team

### Engaging our members through a programme of events

HISA Perth will increase how many and how often members engage with HISA through a programme of events. The student experience outside of the classroom at Perth College UHI must be improved. Furthermore, student activities are an important way of promoting awareness of HISA's work to its constituency.

The priorities for the HISA Perth executive are focused on increasing engagement of our members through events. It is noted that there was a significant drop-off rate in course representatives attending Student Representative Council (SRC), the OBI nominations marginally increased and, while election voting numbers also marginally increased, many of our members reported that they were unsure of the work of HISA Perth.

Activities and events are prioritised by the executive as there is significant potential for developing non-curricular aspects of the student experience. Work on the community aspect of Healthy Happy You in previous academic years highlighted that the students' association can contribute to development of key student skills (such as project management, finance management) and also social isolation through student-led events. A developed event programme is also used as a means to capture student interest in HISA and its role in engaging students and using student feedback to influence the learning experience of the college.

### Updated 22/5/20

Indicators						
Output	Date	Indicator	Target	Date	Implementation	Context
Freshers	Aug 19	Promo material student students	1	1	Completed	A Flyer was created about Freshers activity. Sent to College Admissions who sent out an electronic copy along with enrolment documents to new students and sent out a hard copy of the flyer to returning students.
	Aug 19	Briefing for college staff	1	1	Completed	Flyers left in Staff bases for lecturers to give out at Induction with information about HISA Perth
	Sept 19	HISA engagement day	1	1	Completed	Took place in Day 3 of Freshers' - promoted as HISA House Party. Representation from HISA Perth and regional HISA team speaking to students. Included a bar, Wii, board games, pizza and a free BBQ.
	Sept 19	Freshers fayre	1	1	Completed	HISA Perth given ownership of Freshers' in July. Total of 54 Stalls over the two days in half of a hall in the ASW. 11 commercial companies, 8 internal/HISA/UHI, 6 Clubs and societies and 29 Charity/Forces/political etc. At least 300+ students per day
Green week	Oct 19	Event takes place	1	0	Incomplete	Did not take place due to officer commitments and changes withir HISA Perth
GYST	Sept 19	Programme of events agreed with HISA and key college staff	1	1	Completed	30 events planned by VPAW that focused on student identity, mental health, sexual health, welfare, hate crime, bullying and online security. Leaflet created that was sent via email, printed and given around the college and promoted on social media
	Nov 19	Event takes place	1	1	Completed	20 events out of the 30 took place – 10 were cancelled due to lack of interest. Events did take place during assessment time so if were to continue would need to consider number of events planned and timing
Halloween event	Nov 19	Event takes place	1	1	Completed	Halloween party planned in Union Link. Around 20 students in attendance
Christmas event	Dec 19	Event takes place	1	1	Completed	Christmas Tree Decorating planned for 4 <sup>th</sup> December, less than 5 students in attendance but was pulled together last minute. Christmas Jumper day promoted across HISA for 13 <sup>th</sup> December.
Mental Health Awareness week	May 20	Event takes place	1	1	Completed	Mental health themed Tea and Chat 20/5/20, promotion of resources/support on social media

Diwali	Oct 19	Event takes place	1	0	Incomplete	Did not take place due to officer availability and changes within HISA Perth
Chinese New Year	Jan 20	Event takes place	1	1	Complete	Promotional and educational materials for students to celebrate and learn about Chinese New Year. Union Link decorated to reflect celebrations.
Burns Day	Jan 20	Event takes place	1	0	Incomplete	Did not take place due to officer availability
LGBTQ Month	Feb 20	Event takes place	1	1	Complete	Awareness board at Union, Brahan & Goodlyburn of key LGBTQ+ figures in history. Student society approached about activity but did not happen
Valentine's Day	Feb 20	Event takes place	1	0	Incomplete	Did not take place due to officer availability
Strategic Alignn	nent					
HISA Strategic		ality, diversity and inclusiver				
Plan 2019-		ry student at UHI has the op				25
2022		enhance the student social e				
						spirit and ethos of community
		members know who HISA are				
		mbers know their role in HIS				
_			nts to shape their own	n learning, t	he life and work of	f the University and College and to share in a diverse range of cultural
· · · · · · · · · · · · · · · · · · ·	activities					
Plan 2016- 2021						
	Element	a of Chudout Europeanout				
		s of Student Engagement	ive institution			
		ents feeling part of a support s of Effective Student Enga				
Scotland		ture of engagement	gement			
Scotianu	i - A cui					

### Summary

As can be seen from above, a lot of events were planned for this academic year that we were able to successfully complete. Those events we were unable to undertake were primarily down to officer availability and changes in staff that took place within HISA Perth this academic year. Going forward, HISA Perth will continue to plan a programme of events for students focussing on the quality of events so they can have a bigger impact on the students who take part in them as well as joining up with departments in Perth College UHI and student clubs and societies to help promote their work and improve partnership working across campus. We will also look at planning another fantastic Freshers', planning for face-to-face and online activities so that we are prepared for any eventuality once it has been confirmed what the new academic year will look like for students being on campus.

### Updated 22/5/20

# 2 Executive Plan of Work

Vice President Education and Engagement

HISA Perth Education and Engagement Plan of work aims to improve the delivery of education. Part of their work is to produce research and influence policy discussion at a Strategic Committee and Board of Management level to improve all aspects of education. We also work to improve education at a Regional and National level through partnerships, campaigns, and lobbying through HISA, NUS Scotland, and engaging MP's and MSP's. Our aim is to improve the quality of education through representation and engagement.

Output	Date	Indicator	Target	Date	Implementation	Context
Class reps training	Jun 20	% of trained reps	63%	66%	Complete	Collaboration with sparqs and Perth College UHI. HISA Perth involved in condensing the training to make more interactive for students. Increase in number of reps trained from previous year. 166 reps trained out of 249 total – all new reps.
SRC's	Jun 20	Number of councils Attendance	4 50	5 140	Complete	SRC review carried out, and format changed following consultation with Education Scotland. Initially held 2 identical sessions to make more accessible for reps to attend #1 - 26/11/19 and 27/11/19- 60 reps (31 and 29) #2 - 18/2/20 and 19/2/20 - 46 reps (21 and 25) #3 - 22/4/20 - 27 reps #4 - 29/4/20 - 6 reps #5 - 27/5/20 - 1 rep
nternationalisa	Jun 20	Strategy	1	0	Postponed to new	Not able to progress this academic year so postponing to 2020/21 to
tion Strategy		Setup buddy system	1	0	academic year	account for International Strategy
Campaigns	Jun 20	Council tax exemptions for students transitioning between course levels	1	0	Ongoing	Engaging with local council staff on issue. Unable to change as done at a government level. Working with NUS Scotland about how this can be taker forward nationally.
Strategic Alignme	ent					

	<ul> <li>2.3 - HISA will provide top level training, support and development for its representatives and officers at local and regional level to ensure a world class student academic experience</li> <li>2.4 - HISA's officer structure will be innovative, effective and reflect the needs of its students, UHI and the Partners</li> <li>3.3 - Throughout UHI, officers, volunteers and representatives will work in partnership with academics and the wider staff community to solve problems and provide an evidence base to drive policy change</li> <li>4.3 - To develop employability prospects for all students</li> <li>5.1 - Every student at UHI has the opportunity to take part in extracurricular opportunities</li> <li>7.2 - Members know their role in HISA and feel like they have a stake in their community</li> <li>7.3 - Members are aware of the causes and consequences of student issues and problems</li> <li>7.5 - Local, regional and national media see HISA as a vital contributor on education and political issues</li> <li>8.3 - HISA will create employment opportunities for students who will gain valuable experience and skills</li> <li>10.1 - HISA will operate with outstanding student led governance</li> </ul>
Perth College	1.1 - Give each student the best possible learning experience.
UHI Strategic Plan 2016-2021	<ol> <li>Support and inspire our students to complete their chosen course and attain their qualification.</li> <li>Empower and support students to develop personal resilience, career management and entrepreneurial skills through building self-awareness.</li> </ol>
	1.6 - Continue to develop the appropriate interventions needed to support those furthest from the employment market to access education and raise
	aspirations. 1.7 - Enhance student engagement by strengthening the student voice and supporting the further development of a thriving, effective and sustainable
	Students' Association.
	3.1 - Provide a high quality, relevant curriculum which promotes skills for life, learning and work for a proficient and adaptable workforce in regional general and niche specialisms.
	3.4 - Ensure that students gain career management and employability skills that are sought after by employers and have the skills to be successful in their
	career choices.
	4.7 - Mainstream the values and practices of equality, diversity and inclusiveness.
	Elements of Student Engagement
	2 Students engaging in their own learning
Framework for Scotland	3 Students working with their institution in shaping the direction of learning 4 Formal mechanisms for quality and governance
	5 Influencing the student experience at national level
	Features of Effective Student Engagement
	1 A culture of engagement
	2 Students as partners
	3 Responding to diversity 4 Valuing the student contribution
	5 Focus on enhancement and change

### Summary

HISA Perth continue to work closely with Perth College UHI on our class representative system. Although we were able to hold more SRC meetings including online meetings during lockdown, we are still seeing low engagement from class reps in attending these meetings towards the end of the academic year. We will continue to work with the college to ensure the training is relevant to our students and to host regular meetings with our reps to gather feedback from them. Going forward HISA Perth will need to look at ways to increase engagement with class representatives as well as the number of those trained. We will also need to work closely with the college on the recruitment, training and support of representatives online if we will not be fully back on campus in the new academic year.

# 3 Executive Plan of Work

Vice President Activities and Welfare

HISA aims to ensure that there are opportunities for our members to attend events, join a society, have access to services that ensures their welfare, and campaign for sustainability. We do this through partnerships across the student movement, departments within Perth College UHI, and local NGO's and organisations within the City of Perth and beyond. We also work to ensure there are developmental opportunities for our members to enhance their transferable skills to increase their chances of getting a job in their career of choice.

Indicators						
Output	Date	Indicator	Target	Date	Implementation	Context
Sports Clubs and Student Societies	Jun 20	Number of affiliated societies	15	14	Complete	4 sports clubs, 3 of which entered SSS college national finals. 10 societies affiliated, some of which continue to meet online. Promotional material to educate our members on the benefits and process of starting their own society. Meeting with clubs and societies took place 7/5/20 to gather feedback to pass onto incoming VPAW. Individual meetings with clubs and societies throughout academic year
GYST – student essential information & advice month	Nov 19	Number of org. & events Average attendance	15 25	30 3	Complete	Great engagement from college staff and external organisations on creating and facilitating talks and workshops. Low attendance meant some events needed to be cancelled but others would have at least 3-10 students in attendance.

Environmental impact	Jun 20	Ban single use and plastic cups on campus	1	0	Ongoing	Negotiate with the colleges' catering provider and provide alternative solutions initially but focus now shifted to consider how to reduce impact to environment and keep staff/students safe in catering outlets once back on campus.
Members able to heat "pack lunches" on campus	Jun 20	Microwaves on campus	1	2	Complete	Worked closely with Student Engagement Team, Catherine Erti and engaged students to implement due to strong feedback in favour from students. Able to get 2 microwaves, - 1 Goodlyburn, 1 Brahan.
'Tea & chat'	Jan - Jun 20	Number of groups Average attendance	5 10	13 3	Complete	Held from weekly from 5 <sup>th</sup> February-3 <sup>rd</sup> June despite being in lock down. Held 6 on campus and every week online since 25 <sup>th</sup> March either run by HISA Perth (10 sessions) or HISA Activities Team (1 session 13/5/20 not included in final total) Bigger engagement on campus but consistent engagement online who find the sessions useful and have learned more about HISA.
Strategic Alignme	ent					
			ace that stud	dents and a	academics alike re	ecognise as providing independent appropriate and quality support advice on academic and
Plan 2019-2022						
					local, regional an	d national level
		evelop employab				
						curricular opportunities
					cross the UHI Part	
						UHI students' unique circumstances
						do so locally or regionally
			, , , , ,			will gain valuable experience and skills
		each student the				
						purse and attain their qualification.
		ase opportunitie	s for studen	its to shape	e their own learnir	ng, the life and work of the University and College and to share in a diverse range of cultural
	activities.					
						e, career management and entrepreneurial skills through building self-awareness.
			the appropr	iate interve	entions needed to	support those furthest from the employment market to access education and raise
	aspirations					
			agement by	strengthe	ning the student v	voice and supporting the further development of a thriving, effective and sustainable
		Association.				
			/, relevant cu	urriculum v	vhich promotes sl	kills for life, learning and work for a proficient and adaptable workforce in regional general
		specialisms.				
					equalities in our c	
	3.4 - Ensuı career cho		gain career	manageme	ent and employab	ility skills that are sought after by employers and have the skills to be successful in their

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	<ul> <li>4.1 - Work effectively and efficiently to ensure the College and University thrives and prospers in environmentally, socially and financially sustainable ways.</li> <li>4.2 - Increase our effectiveness and efficiency through shared processes and services across the College, University and region.</li> <li>4.3 - Develop and increase commercial awareness and activity across the college to enable future investments in our facilities that improve the student experience.</li> </ul>
	4.7 - Mainstream the values and practices of equality, diversity and inclusiveness.
sparqs Student	Elements of Student Engagement
Engagement	1 Students feeling part of a supportive institution
Framework for	2 Students engaging in their own learning
Scotland	Features of Effective Student Engagement
	5 Focus on enhancement and change

# Summary

Despite the challenges faced by everyone due to COVID-19 we have been able to maintain links with our clubs, societies and wider student body. Although some activities run throughout the year have not seen high levels of engagement, we have heard directly from students they have enjoyed or benefitted from the activities we have run. Moving forward we will continue to work on supporting our local clubs and societies in their growth, development and promotion across campus as well as ensuring we are running awareness raising activities that help promote the welfare of our students.

# 4 Executive Plan of Work

President - Ensuring that all of our members are aware of and have timely access to mental health support and services when they require it.

ndicators						
Output	Date	Indicator	Target	Date	Implementation	Context
Mental Health agreement	Jun 20	Agreement signed	1	1	Complete at regional level	Passed on to and signed at a regional level in January 2020
Mental Health First Aid	Jun 20	Number of First Aiders on campus	18	14	Continue to new academic year	Ran in collaboration with Student Support/Student Hub team to recruit "Mental Health Champions". Training carried out with interested students and HISA Perth officers but lack of engagement throughout year.
Counselling support	Jun 20	Number of counsellors	4.5 FTE	2.6FTE	Complete	Working with college and external organisations to find the best solution for our members College have recruited for additional counsellors and been able to expand support during COVID-19 – additional 1.5FTE counsellors

Mental Health Awareness Events	Jun 20	Number of events Average attendance	4 25	3 20	Complete	Therapets event held – average 3-5 students in attendance Tea & Chat – held from February to June, average 3- 5 students in attendance across all events. Partnership event with external organisations - unable to undertake due to COVID-19 Partnership event with college - done
Strategic Alignment				1	•	
HISA Strategic Plan 2019-2022	4.3 - To d 6.2 - For e		prospects be able ad	for all stude ccess to the	nts mental health s	national level upport services when they need to at is committed to supporting students and communicating well about mental
Perth College UHI Strategic Plan 2016- 2021	1.3 - Supp 1.5 - Emp 1.7 - Enha Students' 3.1 - Prov general a 3.2 - Ensu 3.4 - Ensu their care 4.2 - Incre 5.1 - Cont	ower and support stu ance student engager Association. ide a high quality, rel nd niche specialisms. ure our provision addr ure that students gain er choices. ease our effectiveness tinue to develop skillf	evant curri resses stub career ma	complete th levelop perso rengthening culum which born inequa nagement a ency through red and adap	eir chosen cour onal resilience, the student voi n promotes skill lities in our con nd employabilit n shared proces otable diverse st	ty skills that are sought after by employers and have the skills to be successful in sees and services across the College, University and region.
sparqs Student	Elements	of Student Engage	ment		- 1	
Engagement		nts feeling part of a s				
Framework for		nts engaging in their				
Scotland	5 Focus	of Effective Student on enhancement and opriate resources and	d change	ient		

# Summary

HISA Perth were able to hold a host of events focusing on mental health throughout the academic year and although we saw low engagement with students, those who attended expressed their enjoyment of these events. The impact of COVID-19 meant that the college was able to have more counselling staff in

### Updated 22/5/20

place which has benefitted students greatly. Moving forward we will continue to work with Student Support and helping empower students to support one another.

# 5 Continual Plan of Work

HISA Perth - The continual plan of work details activities that HISA Perth undertakes every year alongside the executive officers' priorities.

ndicators							
Output	Dates	Indicator	Target	Date	Implementation	Context	
OBI Nominations	May 20	Improve on 2019 nomination levels	500	204	Complete	Challenge to receive higher number of nominations due to nominations opening and period of nominations taking place during lockdown and with no face to face promotion.	
Elections Candidates	Mar 20	All officer positions are contested	15	13	Complete	Were initially 15 students but 2 dropped out prior to nominations opening	
Elections Turnout	Mar 20	Improve turnout on 2019 elections	15%	9.97%	Complete	Highest ever turnout in PC and highest across academic partnership	
SPA 2019-20	Oct 19	Student Partnership Agreement for 2019-20 signed	1	1	Complete	Themes identified: Learning Resources Student Wellbeing Communication	
SPA 2020-21     Apr 20     Consultation     1     0     Ongoing     Name changed to Partne       consultation     takes place     1     0     Consultation     Consultation with Class R		Name changed to Partnership Project to avoid confusion with regional SPA. Consultation with Class Reps through SRC and Brightspace discussion boards, looking to do wider student consultation, conversations ongoing with Student Engagement staff					
SPA 2020-21	Jun 20	Agreement with Perth College on 2020-21 SPA	1	0	Not yet started – postpone to next academic year	Awaiting result of student consultation and input from incoming student officer team	

	themes and
	action plan
Strategic Alignn	nent
Perth College	1.4 Increase opportunities for students to shape their own learning, the life and work of the University and College and to share in a diverse range of cultural
UHI Strategic	activities.
Plan 2016-2021	1.7 Enhance student engagement by strengthening the student voice and supporting the further development of a thriving, effective and sustainable
	Students' Association.
	5.3 Continue to foster a culture of personal leadership and empowerment, enterprise, innovation and ownership among all staff and students.
	5.4 Ensure that all staff are valued and informed.
sparqs Student	Elements of Student Engagement
Engagement	1. Students feeling part of a supportive institution
Framework for	4. Formal mechanisms for quality and governance
Scotland	Features of Effective Student Engagement
	2. Students as partners
	3. Responding to diversity
	4. Valuing the student contribution

### Summary

Despite the challenges imposed by COVID-19, HISA Perth are pleased we were able to see strong nominations in the OBI awards and to be able to host an online awards ceremony as an alternative to the event planned on campus. COVID-19 also impacted the work we were hoping to complete around the newly named Partnership Project but we are hoping that by extending consultation to the wider student body, HISA Perth and Perth College UHI will have a stronger mandate on the themes identified that can help create joint plan of work.

# Plan of Work 2020-2021

HISA Perth are undertaking plans for operational activity for academic year 2020-2021 with consideration of how our work will be delivered due to the impact of COVID-19 and how this will affect returning to campus and engaging with students. This and the executive plan of work will be determined when the new student officer team take their positions on 1<sup>st</sup> July 2020. It is hoped that an initial plan of work will be ready shortly after this time. Activities that will be undertaken will include:

- Regional and local induction of HISA Perth student officer team 2020-2021
- Planning for a face to face and virtual Freshers' Week
- Formulating a plan for activities to undertake throughout the academic year

### Updated 22/5/20

- Finalising themes and an action plan for the Partnership project
- Reviewing support given to class representatives, sports clubs and societies in light of COVID-19

# References

Education Act 1994, Section 22 Available at: <u>http://www.legislation.gov.uk/ukpga/1994/30/section/22</u> (*Accessed: 24 January 2020*). HISA Strategic Plan 2019-2022, Available at: <u>https://cutt.ly/DrQ7H1q</u> (Accessed: 24 January 2020). Perth College UHI Strategic Plan 2016-2021, Available at: <u>https://www.perth.uhi.ac.uk/t4-media/one-web/perth/about-us/strategic-plan/perth-college-uhi-strategic-plan.pdf</u> (Accessed: 24th January 2020).

sparqs Student Engagement Framework for Scotland, Available at: <u>https://www.sparqs.ac.uk/upfiles/SEFScotland.pdf</u> (Accessed: 24th January 2020).



# Paper 12

Committee	Board of Management
Subject	Perth College UHI Governance Manual
Date of Committee meeting	10/06/2020
Author	Ian McCartney, Clerk to the Board
Date paper prepared	04/06/2020
Executive summary of the paper	The attached paper Board with a full review of the Governance Manual for approval.
	The following points are to be noted:
	<ul> <li>Paper 12a is comprised of a summary of key changes, plus Track Changes versions of the Constitution, Standing Orders and Scheme of Delegation;</li> </ul>
	<ul> <li>Paper 12b is comprised of the full draft of the revised Governance Manual, adding the Code of Conduct, Financial Memorandum with UHI and the Code of Good Governance to sections 1-3 outlined above.</li> </ul>
<b>Consultation</b> How has consultation with partners been carried out?	SMT and Board Chair were consulted on revisions.
Action requested	<ul> <li>□ For information only</li> <li>☑ For discussion</li> <li>□ For recommendation</li> <li>☑ For approval</li> </ul>



<b>Resource implications</b> (If yes, please provide details)	No
<b>Risk implications</b> (If yes, please provide details)	No 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	No
Yes/ No If yes, please give details:	
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 If yes, please give details: Click or tap here to enter text.



Data Protection	No
Does this activity/ proposal require a Data Protection Impact Assessment?	Click or tap here to enter text.
<b>Status</b> (e.g. confidential/non confidential)	Non-Confidential
Freedom of information Can this paper be included in "open" business?*	Open business

\* 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

### Perth College UHI – Governance Manual Review, June 2020

### Summary of Main Amendments

### Introduction

Please note that, although these documents are fairly lengthy, the actual changes being proposed are not overly extensive. Whilst good practice has been adopted from the college sector where it provides a material improvement, where there is no identifiable benefit to Perth College's governance procedures the previous Manual's wording and/or perceived sentiment has been retained to avoid changes being purely cosmetic in nature.

This summary document outlines the key changes made, and the documents have been provided individually in track changes format, as well as a full draft version of the Manual. A link to the current Manual is provided here: <u>https://www.perth.uhi.ac.uk/t4-media/one-web/perth/about-us/college-mgmt-structure/board/MAN062GovernanceManualApprovedDTP.pdf</u>

### Amendments: Section 1 – Constitution

- Removal of gender references
- Consistent application of capitalisation across document
- Ref 4.3 amend year of office for student members
- Ref 6.1/7.1 remove UK-centric element of criminality exclusion
- Ref 8 Clarify role of RSB re mismanagement

### Amendments: Section 2 – Standing Orders

- 1 General add Purpose
- 3.1 delete replace FERB with Regional Strategic Committee
- 3.1 add reference to alignment between PC/UHI strategies
- 3.2 add sub-clauses re: establishing Board working groups and cross reference to Scheme of Delegation
- 4.5 add sub-clause c re Senior Independent Board Member
- 4.5 amend to Court confirming appointments
- 4.10 remove duplication
- 5.1-5.5 calendar tidy up and create additional flexibility
- 5.6-5.14 quorum add voting rights and additional clarifications to bring in line with Sector
- 5.15/5.16 agenda tidy up and bring in line with Sector
- 5.19 reserved business delete previous definition superfluous
- 5.27 points of order delete; irrelevant
- 5.41 minutes bring in line with Sector
- 7 Special Meetings delete superfluous, covered previously
- 8.7 quorum delete, repetition
- 9.8 update to HISA Perth
- 9.13 copy of criminality exclusion text from Section 1
- 10 admission to meetings delete

### Amendments: Section 3 – Scheme of Delegation

Update key clauses in line with Sector:

- 1 Intro 2 additional paragraphs
- 3 Review clarification
- 4 Reserved Authority of Board additional section in line with sector comparison
- 5 Chair para 1 additional clarification
- 5.7 add annual development review
- 6 Committees additional clarification to relate to legislation/Code
- 6.1.c allows Policies to be reviewed at appropriate level
- 6.4 tidy-up
- 7 Principal additional clause in line with sector comparison
- 7.9 sub-clauses cross-referenced against Financial Regulations (under review) instead of specific amounts
- 7.10-7.14 inclusive additional clauses in line with sector comparison
- 8 Clerk general tidy-up and ensure in line with sector
- Appendices delete and replace Terms of Reference for all Committees

### Section 4 – Code of Conduct

The Standards Commission Model Code has been copied in full – minor layout amendments have been applied, but text remains as previously.

### Sections 5 & 6

Final 2 Sections of the Manual (Financial Memorandum with UHI and the Code of Good Governance) are externally sourced and not scheduled for review by Perth College UHI.

### Page Numbering

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Governance Manual

For Review by BoardBoard of Management June 2020

Perth College UHI

BoardBoard of Management

**Constitution and Proceedings** 

Governance Manual

For Review by BoardBoard of Management June 2020

# **Board<u>Board</u>** of Management Constitution and Proceedings

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### 1. STATUS

The <u>College</u> is a further education incorporation created under the provisions of

the Further and Higher Education (Scotland) Act 1992 as amended by the Post-16 Education (Scotland) Act 2013 ('the Acts'). Its structure of governance is laid down in the instrument and articles of government, which may only be amended by application to the First Minister of Scotland.

The legal status of the **Board**Board is defined in Schedule 2 of the Acts. Specifically, the **Board**Board shall not –

(a) Be regarded as the servants or agents of the Crown

(b) Have any status, immunity or privilege of the Crown

and their property shall not be regarded as property of, or held on behalf, of the Crown.

The CollegeCollege is an exempt charity by virtue of the Charities Act 1993.

In the event of any conflict between the Constitution and Proceedings and Statutory Regulations, the Provisions of Statute will prevail.

#### 2. DEFINITIONS

In these Constitution and Proceedings, the meanings assigned to words and expressions are:

"The Act" means the Further and Higher Education (Scotland) Act 1992 as amended by the Post-16 Education (Scotland) Act 2013;

"CollegeCollege" means Perth CollegeCollege;

"BoardBoard" means the BoardBoard of Management of Perth CollegeCollege;

'Regional <u>Setrategic B</u>ody' means the University of the Highlands and Islands in its role as a regional strategic bodyRegional Strategic Body;

"SFC" means the Scottish Funding Council;

"He" embraces "She".

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#### 3. MEMBERSHIP

and

3.1 Membership of the <u>BoardBoard</u> shall consist of no fewer than thirteen (13) and no

more than eighteen<u>(18)</u> members.

3.2 The boardBoard is to be comprised of:

- (a) a person appointed by the <u>R</u>regional <u>Setrategic B</u>ody to chair meetings of the <u>B</u>oard (the 'chairing member');
- (b) the **P**principal of the **C**college;
- (c) a person appointed by being elected by the teaching staff of the <u>Ceollege</u>:
- (d) a person appointed by being elected by the non- teaching staff of the <u>collegeCollege;</u>
- (e) two persons appointed by being nominated by the students' association of the <u>collegeCollege</u> from among the matriculated students of the <u>collegeCollege</u>;
- (f) other members appointed by the regional strategic body<u>Regional Strategic</u> <u>Body</u>.
- 3.3 Elections to appoint teaching and non-teaching staff members of the <u>beardBoard</u> will be conducted in accordance with rules made by the <u>beardBoard</u>. Before making, varying or replacing rules about elections for teaching or non- teaching staff, the <u>beardBoard</u> must consult the representatives of any trade union which the <u>beardBoard</u> recognises as being, or which otherwise appears to the <u>beardBoard</u> to be, representative of the staff of the <u>collegeCollege</u>.
- 3.4 Less than half of members of the <u>boardBoard</u> may receive remuneration from the <u>boardBoard</u>. Members receiving remuneration include any salaried members of staff on the <u>boardBoard</u>, including the <u>principalPrincipal</u>; and any sabbatical student members (whether remunerated directly by the <u>collegeCollege</u> or by the <u>collegeCollege</u>'s <u>student</u> <u>associationStudents'</u> <u>Association</u>).

### 4. QUALIFICATIONS AND TENURE OF OFFICE

4.1 Subject to this paragraph and paragraphs below, a member of the <u>BoardBoard</u>, other than the <u>PrincipalPrincipal</u>, will hold and vacate office on such terms as the <u>regional strategic bodyRegional Strategic Body</u> may determine; and is, on ceasing to hold office, eligible for re-appointment.

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- 4.2 A member of the <u>boardBoard</u> appointed by being elected by the teaching or non-teaching staff of the <u>collegeCollege</u> is to hold office for 4 years;
- 4.3 A member appointed by being nominated by the students' associationStudents' Association is to hold office until 31 August from 1 July following appointment until 30 June of the subsequent calendar year;
- 4.4 Each other member of the <u>beardBoard</u> (including the chairing member) is to hold office for such period (not exceeding 4 years) as is specified in the member's terms of appointment as determined by the <u>regional strategic bodyRegional Strategic Body</u>. The <u>regional strategic bodyRegional Strategic Body</u> may extend the period of appointment for a single further period not exceeding 4 years. Thereafter, a member is eligible to be appointed again (which can again be extended for a single period of up to 4 years) and is then eligible to be appointed again, without limit to the number of appointments.

4.5 The <u>principalPrincipal</u> of the <u>collegeCollege</u> is to vacate office on ceasing to be the <u>principalPrincipal</u>.

- 4.6 A member of the <u>beardBoard</u> appointed by being elected by the teaching or non-teaching staff of the <u>collegeCollege</u> is to vacate office if <u>he\_they</u> ceases to be a member of the teaching or, as the case may be, non-teaching staff of the <u>collegeCollege</u> before the member's period of appointment ends.
- 4.7 A member of the <u>boardBoard</u> appointed by being nominated by the <u>students'</u> <u>associationStudents' Association</u> is to vacate office if <u>theyhe</u> ceases to be a student of the <u>collegeCollege</u> before the member's period of appointment ends.

#### 5. RESIGNATION

A member of the <u>boardBoard</u>, other than the <u>principalPrincipal</u> of the <u>collegeCollege</u>, may resign <u>their his</u> office at any time by giving notice in writing to the <u>regional</u> <u>strategic bodyRegional Strategic Body via the chairing member</u>.

#### 6. EXCLUSION FROM MEMBERSHIP

- 6.1 A person is not eligible for appointment as a member of the <u>boardBoard</u> if th<u>at e person:</u>—
  - (a) has, within 5 years of the date on which the appointment would take effect, been sentenced (following conviction for an offence in the United Kingdom, the Channel Islands, the Isle of Man or the Irish Republic) to imprisonment for a period of not less than 3 months, whether suspended or not, without the option of a fine;

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- (b) is an undischarged bankrupt; or
- (c) has been removed from office under section 24 of the Act (see Section 8 Mismanagement by <u>BoardBoard</u>).
- 6.2 Undischarged bankrupt" means a person-
  - (a) whose estate has been sequestrated and who has not been discharged (or against whom a bankruptcy order has been made and is still in force);
  - (b) who has granted a trust deed for, or made a composition or arrangement with, creditors (and has not been discharged in respect of it);
  - (c) who is the subject of a bankruptcy restrictions order, or an interim bankruptcy restrictions order, made under the Bankruptcy (Scotland) Act 1985 or the Insolvency Act 1986;
  - (d) who is the subject of a bankruptcy restrictions undertaking entered into under either of those Acts;
  - (e) who has been adjudged bankrupt (and has not been discharged); or
  - (f) who is subject to any other kind of order, arrangement or undertaking analogous to those described in paragraphs (a) to (d), anywhere in the world.

#### **7 REMOVAL FROM OFFICE**

- 7.1 The regional strategic bodyRegional Strategic Body must remove a member of the boardBoard from office (by giving notice in writing to the member) if -
  - (a) the member -

(i) is sentenced (following conviction) for an offence in the United Kingdom, the Channel Islands, the Isle of Man or the Irish Republic) to imprisonment for a period of not less than 3 months, whether suspended or not, without the option of a fine or

(ii) has become an undischarged bankrupt under the terms outlined in 6 (2) above or

- (b) the regional strategic body<u>Regional Strategic Body</u> is satisfied that the member—
  - (i) has been absent from meetings of the <u>boardBoard</u> for a period longer than 6 consecutive months without the permission of the <u>boardBoard</u>; or

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- (ii) is otherwise unable or unfit to discharge the member's functions.
- 7.2 The Scottish Ministers must, by giving notice in writing to the member, remove a member from office if the member is removed from office under section 24 of the Act.

7.3 Sections 6 and 7 do not apply in relation to the principal Principal of the collegeCollege.

#### 8 MISMANAGEMENT BY BOARDBOARD

- 8.1 This section applies where-
  - (a) it appears to the Scottish Ministers that the <u>BoardBoard</u> of Management of any <u>CollegeCollege</u> of Further Education—
    - (i) have committed or are committing a serious breach of any term or condition of a grant made to them by the <u>Regional Strategic</u> <u>BodyRegional Strategic Body</u> under section 12 or 12B of the Further and Higher Education (Scotland) Act 2005 ("the 2005 Act");
    - (ii) have committed or are committing repeated breaches of such terms or conditions;
    - (iii) have failed, or are failing, to provide or secure the provision of education of such standard as the Scottish Ministers consider appropriate;
    - (iv) have failed, or are failing, to discharge any of their duties properly; or
    - (v) have mismanaged, or are mismanaging, their financial or other affairs; or
    - (vi) SFC has informed the Scottish Ministers that a <u>CollegeCollege</u> of Further Education whose <u>BoardBoard</u> of Management is established in pursuance of this Part is not, or is no longer, a body for which there are suitable provisions, procedures and arrangements of the type described by or under section 7(2) of the 2005 Act.
- 8.2 Where this section applies, the Scottish Ministers may by order remove any or all of the members of the <u>boardBoard</u> (other than the <u>principalPrincipal</u> of the <u>collegeCollege</u>).;

8.3 Before making <u>such</u> an order, the Scottish Ministers must consult–<u>with the</u> <u>Regional Strategic BodySFC</u>.

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- 8.4 The Scottish Ministers must give notice of exercise of the power of removal to the <u>beardBoard</u> and the member.
- 8.5 Where a member removed under this section was a member appointed by the Regional Strategic BodyRegional Strategic Body, the Scottish Ministers may appoint another person in place of the removed member. The appointment has effect as made under the provision under which the removed member was appointed.

### 9 PROCEEDINGS

- 9.1 The <u>boardBoard</u> may regulate its own proceedings and those of any committee appointed by them.
- 9.2 The validity of any proceedings of the <u>beardBoard</u> or of any committee appointed by them shall not be affected by any defect in the appointment of any member of the <u>beardBoard</u> or any member of such committee or by a vacancy amongst the members of the <u>beardBoard</u>.
- 9.3 The <u>beardBoard</u> shall make available for inspection at the <u>collegeCollege</u> at all reasonable times by anyone who wishes to inspect them, copies of the following documents:-
  - (a) the agenda for any meeting of the <u>boardBoard</u> or of any committee of theirs;
  - (b) the draft minutes of any such meeting as approved by the chair of the meeting;
  - (c) the minutes of such meeting as agreed by the <u>boardBoard</u> or, as the case may be, committee; and
  - (d) any report or other document considered by such meeting.
- 9.4 The above shall not apply to any document or part thereof which relates to—
  - (a) an employee, former employee or applicant for employment in relation to the college<u>College</u>;
  - (b) a person who is, has been, or is likely to be a student of the collegeCollege;
  - (c) any information the disclosure of which is prohibited by anything in any enactment (including this Act and an enactment contained in a subordinate instrument) or rule of law;

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(d) anything which it appears to the <u>beardBoard</u> should be treated as confidential because of its commercial nature or otherwise.

## **10. COMMITTEES**

- 10.1 The <u>boardBoard</u> may establish committees for any purpose and any such committee may appoint sub-committees.
- 10.2 Such committees may include persons who are not members of the <u>beardBoard</u>; but such persons shall not be entitled to vote at meetings of a committee.
- 10.3 The <u>principalPrincipal</u> of the <u>collegeCollege</u> shall be entitled to attend and speak at any meeting of a committee of the <u>beardBoard</u>; but he shall be entitled to vote at such meeting only if he is a member of such committee.
- 10.4 The <u>beardBoard</u> may pay to the members of such committees (whether or not they are also members of the <u>beardBoard</u>) such allowances and expenses as they may determine; and any allowances and expenses to be paid by virtue of this sub-paragraph shall be calculated by reference to such criteria as the Scottish Ministers may determine.
- 10.5 Any reference in this document to a committee of the <u>boardBoard</u> shall include a reference to any sub-committee appointed by such committee.

#### **11 STAFF**

- 11.1 Subject to paragraph 11 (2) below, the <u>boardBoard</u> may appoint employees as they see fit. The <u>boardBoard</u> may appoint on such terms and conditions as they may determine such employees who are out with the scope of the Scottish further education national recognition and procedures agreement as they think fit. The terms and conditions of staff within the scope of the Scottish further education national recognition and procedures agreement will have their terms and conditions of employment determined collectively through national bargaining and by agreement between Scottish further education collegecolleges and the recognised trades unions.
- 11.2 The appointment of the <u>principal</u><u>Principal</u> of the <u>college</u> and the terms and conditions of the appointment, have effect only if approved by the <u>Regional Strategic BodyRegional Strategic Body</u>.
- 11.3 The <u>boardBoard</u> may, in the case of such of its employees or former employees as they may, subject to sub-paragraph (4) below, determine—
  - (a) pay such pensions, allowances or gratuities to or in respect of those employees;

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- (b) make such payments towards provision of such pensions, allowances or gratuities; or
- (c) make such arrangements for the provision and maintenance of such schemes (whether contributory or not) for the payment of such pensions, allowances or gratuities, as they think fit.
- 11.4 Sub-paragraph (3) above shall not apply to any person who becomes an employee of the <u>boardBoard</u> under or by virtue of any provision of this Act (unless that person, by notice given in writing, informs the <u>boardBoard</u> that he wishes it so to apply.
- 11.5 The reference in sub-paragraph (3) above to pensions, allowances or gratuities in respect of employees of the <u>boardBoard</u> includes a reference to pensions, allowances or gratuities by way of compensation to or in respect of any such employee who suffers loss of office or employment.

#### **12 ACCOUNTS**

- 12.1 It shall be the duty of the <u>boardBoard</u> to keep proper accounts and other records.
- 12.2 The accounts shall be prepared in respect of each financial year in such manner as the Scottish Ministers may direct and the accounts shall be submitted to the Scottish Ministers by such time as they may direct. The Scottish Ministers shall send the accounts to the Auditor General for Scotland for auditing.
- 12.3 The financial year of the boardBoard shall be from 1st August to 31st July.
- 12.4 The Scottish Ministers may by order provide that the **beard**Board shall have a different financial year, and an order under this subparagraph may make such consequential provision as appears to the Scottish Ministers to be necessary or expedient.
- 12.5 The accounts of the <u>beardBoard</u> shall be open to the inspection of the Comptroller and Auditor General, but—
  - (a) the power conferred by this paragraph; and
  - (b) the powers under sections 6 and 8 of the National Audit Act 1983 (examinations into the economy, efficiency and effectiveness of certain bodies and access to documents and information) conferred on the Comptroller and Auditor General by virtue of section 6(3)(c) of that Act,

shall be exercisable only in, or in relation to accounts or other documents which relate to, any financial year in which expenditure is incurred by the

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boardBoard in respect of which grants, loans or other payments are made to them under this Part of this Act.

## **13 EXECUTION OF DOCUMENTS**

- 13.1 -For any purpose other than those mentioned in sub-paragraph (2) below, a document is validly executed by the <u>boardBoard</u> if it is signed on their behalf by a member of the <u>boardBoard</u> or by their secretary (or any person performing the duties of secretary to the <u>boardBoard</u>) or by any person authorised to sign the document on their behalf.
- 13.2 For the purposes of any enactment or rule of law relating to the authentication of documents, a document is validly executed by the <u>beardBoard</u> if it is subscribed on their behalf by being executed in accordance with the provisions of sub-paragraph (1) above.
- 13.3 A document which bears to have been executed by the <u>beardBoard</u> in accordance with sub-paragraph (2) above shall, in relation to such execution, be a probative document if the subscription of the document bears to have been attested by at least one witness.

### **14 PROVISION OF SERVICES**

The Local Authorities (Goods and Services) Act 1970 (supply of goods and services by local authorities to certain public bodies) shall have effect within the meaning of that Act.

### **15 CODE OF CONDUCT**

The Code of Conduct for Members of Devolved Public Bodies as revised in February 2014, provides for a Code of Conduct for the <u>BeardBoard</u> of Management. Members of the <u>BeardBoard</u> of Management have a responsibility to ensure that they are familiar with, and that their actions comply with, the provisions of this Code of Conduct and also with the Code of Good Governance for Scotland's <u>CollegeColleges</u> (Dec. 2014).

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Perth College UHI

# **Board of Management**

**Standing Orders** 

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## **Board of Management Standing Orders**

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## 1. GENERAL

#### Introduction

These Standing Orders for the Governance of the proceedings of the Board of Management ("the Board") of Perth College ("the College") have been drawn up in accordance with Paragraph 11(1) of Schedule 2 to the Further and Higher Education (Scotland) Act, 1992 ("the Act").

#### Purpose & Application

The purpose of these Standing Orders is to ensure the orderly and effective conduct of the meetings of the Board of Management and of Committees of the Board. They shall apply to all meetings of the Board and its Committees and shall, subject to a resolution by the Board for their suspension, remain in force unless and until they are varied or revoked as hereinafter provided.

#### Application

They shall apply to all meetings of the Board and its Committees and shall, subject to a resolution by the Board for their suspension, remain in force unless and until they are varied or revoked as hereinafter provided.

#### Interpretation of Standing Orders

Any dispute as to the interpretation of the Standing Orders shall be determined by the Chair of the meeting whose decision shall be final.

#### Implementation of Standing Orders

It shall be the duty of the Chair and the Clerk to the Board to ensure that the business of the Board is conducted in accordance with these Standing Orders.

## Variation, Revocation or Suspension of Standing Orders

Any of these Standing Orders, other than such Standing Orders as the Board may think should not be capable of being suspended, may be varied, revoked or suspended at any meeting of the Board after a motion to that effect has been passed by a majority of two thirds of the members present and voting. However it shall not be competent to vary, revoke or suspend any Standing Orders or portions thereof which express statutory provisions. A motion to suspend must state the period, for which the suspension is being moved, shall be for a specified item of business only and shall lapse when that item is concluded.

#### **Review of Standing Orders**

These Standing Orders shall be kept under review to ensure that they continue to support effectively the workings of the Board. Standing Orders shall be formally reviewed at least once every three years.

#### 2. DUTY AND POWERS

The Duty and Powers of the Board of Management shall be in accordance with section 12 of the Further and Higher Education (Scotland) Act 1992, as amended by the Post-16 Education (Scotland) Act 2013 in so far as it has a duty to manage and conduct the business of the College.

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## 3. STATEMENT OF PRIMARY RESPONSIBILITIES

3.1 The primary responsibilities (this list being neither exhaustive or exclusive) of the Board are -

- a) The Board shall ensure that the College provides the best possible education and learning environment for its students.
- b) The Board shall approve the mission and strategic vision of the College, including institutional and longer-term academic and business plans, and key performance indicators. It will ensure that the <u>strategic vision is aligned with</u> <u>the strategic paln of the Regional Strategi Body; that the</u> College meets the interests of all stakeholders, including students, local and national communities and funding bodies; - and <u>the College</u> meets its legal and ethical obligations to its staff.
- c) The Board shall be responsible for the setting, demonstrating and upholding the good name and the values and ethos of the College.
- d) The Board shall promote further and higher education locally, nationally and internationally and shall promote and support the work of University of the Highlands and Islands and the FE Regional Board.and the Regional Strategic Committee
- 3.2 Accountability and Responsibility of the Board:
  - a) The Board is accountable to students and its stakeholders, which includes the public, employers and its local community for the provision of high quality education that enhances social and economic well-being.
  - b) As an assigned college, the Board is accountable to the University of the Highlands and Islands as the Regional Strategic Body.
  - c) The Board is collectively responsible and accountable for all Board decisions. As such, it will ensure that its decision-making process is transparent, properly informed, rigorous and timely and in the best interests of the College as a whole, rather than selectively or in the interests of a particular group, section or individual.
  - d) The Board shall ensure that the College operates ethically, responsibly and with respect for the environment and for society at large.
  - e) The Board is responsible for ensuring so far as is reasonably practicable the safety, health and welfare of all its employees, students and others that may be affected by College activities in respect of United Kingdom Health and Safety law and best safety practice and procedure.
  - f) The Board will provide leadership in equality and diversity, ensuring that it fulfils its statutory obligations and duties in respect of equalities legislation.

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- g) The Board is responsible for ensuring that appropriate arrangements are in place for the conduct of student elections, and nominations and elections of staff members to the Board.
- h) The Board shall ensure that sound risk management and internal control systems are in place and maintained. These processes must support the identification, reporting, evaluation and management of significant risks on an ongoing basis, and enable the effectiveness of risk management, business continuity planning and internal control systems to be reviewed.
- i) The Board shall ensure that it maintains a balance of appropriate knowledge, skills and experience amongst its membership to enable it to meet its primary responsibilities.
- j) The Board shall ensure that a process is in place for evaluating the Board, the Board Chair and Committee Chairs.
- k) The Board may establish a specialist group where it considers that particular work, such as reviews of policy and procedure, will need to be undertaken outside of the formal schedule of meetings.
- I) Specific and detailed responsibilities of the Board are detailed in Section 3, <u>Scheme of Delegation.</u>

## 4. CHAIR AND VICE CHAIR

## Appointment of Chair and Vice Chair

- 4.1 The Regional Strategic Body shall appoint a Chair under the terms laid out in College Sector Board Appointments: Ministerial Guidance.
- 4.2 The Board shall appoint a Vice Chair from among those members of the Board who have been appointed by the Regional Strategic Body to the Board under the terms laid out in the College Sector Board Appointments: Ministerial Guidance.
- 4.3 The appointment of Vice Chair shall be set down on the Agenda for the meeting at which the appointment is to be considered.
- 4.4 In the event of their being two or more duly nominated and seconded candidates for the post of Vice Chair, the matter will be determined by confidential ballot, which will be supervised by the Clerk to the Board of Management.
- 4.5 The following provisions shall apply to any Vice Chair appointed under Paragraph 4.2:
  - (a) they shall hold office for four years and the appointment may be extended for one further period subject to the limits on membership of the Board and approval by the UHI-FE Regional BoardCourt;

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(b) (b) (b) (b)-the Vice Chair may be removed from office by resolution of two-thirds of the members of the Board present and voting and subject to prior notice on the Agenda for the meeting. Such periods of time must be subject to the overriding limits on Board membership as determined by the College Sector Board Appointments: Ministerial Guidance.

(c) The Vice Chair will fulfil the role of Senior Independent Board Member

#### **Chair to Preside at Meetings**

- 4.6 The Chair shall preside at meetings of the Board and the Vice Chair shall preside in the absence of the Chair;
- 4.7 In the absence of both the Chair and the Vice Chair, the Board shall appoint a Chair from among the lay members to preside at any meeting.

#### **Responsibilities and Duties of Chair**

4.8 The Chair is responsible for:

- (a) leadership of the Board and ensuring its effectiveness in all aspects of its role;
- (b) setting the Board's agenda and ensuring that adequate time is available for full discussion of all agenda items, particularly strategic issues;
- (c) promoting a culture of openness and debate by encouraging the effective contribution of all Board members and fostering constructive relations between Board members.
- 4.9 The Chair shall, inter alia:-
  - (a) preserve order and ensure that every member of the Board shall have a fair hearing;
  - (b) decide all matters of order, competency and relevancy;
  - (c) decide between two or more members of the Board indicating a wish to speak by calling on the member who has first caught his or her eye;
  - (d) see that due and sufficient opportunity is given to members of the Board who wish to speak to express their views on the subject under discussion;
  - (e) ensure that the sense of the meeting is properly ascertained with regard to any matter which is properly before the meeting;
  - (f) ensure that decisions are clearly documented within the minutes.

**Responsibilities of Vice-Chair** 

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4.10 The Vice Chair will be an independent non executive member of the Board,+ who provides the role of a sounding board for the Chair and who will act on behalf of the Chair as necessary..

(a) Another independent non-executive member of the Board of Management will\* serve as an intermediary for the other Board members and the Clerk to the Board when necessary and should be available where contact through the normal channels of Chair, Principal or Clerk to the Board has failed to resolve an issue or where such contact is inappropriate.

#### **Responsibilities of Principal and Chief Executive**

4.11 <u>4.10</u> The Principal is the operational interface between the Board and the College and, as a Board member, shares responsibility with the Chair and the Board for enabling good governance through supporting effective communication and interaction between the Board and the College staff and students.

#### **Responsibilities of individual Board members**

- 4.1<u>1</u><sup>2</sup> The Independent members of the College Board of Management are appointed by the Regional Strategic Body. An independent member is responsible for:
  - (a) Contributing to the business of Board meetings, following established and agreed procedures <u>:</u>
  - (b) Contributing to one or more of the Board committees by membership or chair<u>ingmanship;</u>
  - (c) Engaging effectively at board meetings and working collaboratively with other members;
  - (d) Observing the *Nine Principles of Public Life* (selflessness, integrity, objectivity, accountability, openness, honesty, leadership, public service and respect) in all Board business.

## **Responsibilities of Clerk to the Board**

- 4.13 The Clerk to the Board, who will be independent of the College executive, is responsible for providing the Board and Executive team with advice on governance, the role of the Board and Board matters.
- 4.14 -The Clerk to the Board shall ensure that the Board receives appropriate, timely and high quality information in a form that allows it to monitor and scrutinise the College's activities and to challenge performance when required.

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- 4.15 The Clerk to the Board shall support the Chair, the Board and the Executive in ensuring compliance with all relevant legislative and governance requirements.
- 4.16 The appointment and removal of the Clerk to the Board shall be a decision of the full-Board.

## 5. ORDINARY MEETINGS OF THE BOARD

#### **Calendar of Meetings**

- 5.1 The Board shall hold at least four ordinary meetings in the academic year on such days and at such times as are published in the calendar of meetings. The Board shall hold as many Board and Committee meetings as may be necessary for the performance of its functions, and at such times, places and frequency as the Board determines annually in a calendar of Board and Committee meetings, including a schedule of required business.
- 5.2 The proposed calendar of ordinary meetings of the Board and the Board's Standing Committees shall be submitted for approval by the Board.
- 5.3 Extraordinary meetings of the Board and Committees may be called on the instructions of the Chair or by agreement by a majority of the members entitled to vote at such a meeting.
- 5.4 Board and Committee meetings shall be called giving no less than five working days' notice. Where extraordinary meetings are called and, exceptionally, due to the urgency of the business five working days' notice cannot be given, notice will be given as soon as is reasonably practicable and giving no less than 2 working days' notice.
- 5.<u>32</u> The Standing Committees of the Board shall hold ordinary meetings on such days and at such times as are published in the calendar of meetings.
- 5.52 The Chair of the Board may, in special circumstances (of which the Chair shall be the sole judge) alter the date or time of any ordinary meeting of the Board. At least <u>five working days' seven days'</u> notice shall be given of any alteration to the agreed date of an ordinary meeting of the Board from that detailed in the approved calendar of meetings.

### **Quorum & Voting Rights**

5.611 At all meetings of the Board one half third-of the current-membership entitled to vote shall constitute a quorum.-However, irrespective of the number in attendance, the independent members of the Board must constitute and maintain an overall majority. If during the course of a meeting the independent members cease to constitute the majority the meeting shall stand adjourned to another day.

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- 5.742 If at any time appointed for a meeting or, if before the business of any meeting has been completed, the number of members present is less than one third of the current membership the prescribed quorum, the Chair must adjourn the meeting to such day or time as the members determine and the meeting may be re-convened on less than one week's notice.
- 5.8 If the Chair of the Board or Committee is not present at any meeting, the Vice Chair (where this office exists) shall assume that role. Where a Vice Chair is not available, members shall elect from amongst themselves a Board member who is entitled to vote as the Chair of that meeting.
- 5.913 No failure or defect in the appointment, election or co-option of any member of the Board and no vacancy in the office of member shall prevent the Board from acting in the execution of its functions, nor shall any act or proceeding of the Board or any Committee appointed by it be invalidated or be illegal by reason of or in consequence of any such vacancy or of any such defect in the appointment or co-option of any one or more members of the Board, excepting only in a case where the Board is not quorate.
- 5.10 A question on which a vote is required shall be determined by a majority of votes of the members of the Board present and voting on the question and, in the case of an equal division of votes, the Chair of the meeting shall have a second or casting vote.
- 5.11 Only matters identified on the agenda as requiring a decision shall, if consensus is not possible, be decided by vote.
- 5.12 In exceptional circumstances, such as for matters requiring urgent attention, and when the approval of the Board or Committee is required, decisions can be taken, with the prior agreement of the Chair, by written procedure. That is, decisions can be taken without calling a physical meeting of the Board or Committee. In such circumstances for a decision to be deemed to be taken:
- the Clerk to the Board shall email all Board Members outlining the decision required, together with relevant briefing information
- a quorum, as defined in 5.6 of these Standing Orders, must have replied to
  the email
- the Clerk to the Board Secretary shall ensure that a deadline for response is
   clearly specified and Board members shall endeavour to respond within
   that timeframe
- any decisions taken in this way shall be homologated at the next relevant meeting of the Board or Committee.
- 5.13 Where a proposal is amended, voting will take place on the amendment against the proposal, or the series of amendments, in the order of the last amendment first, until a single amendment is put against the proposal. Thereafter, voting will take place upon the proposal amended. All members have a single vote.

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5.14 No-one shall be entitled to enter his or her dissent from any decision, except at the meeting at which it has been passed; but any member not present may at the next meeting have his or her dissent recorded.

#### Agenda of Business

- 5.153 Preliminary notice of the day, hour and venue of each scheduled meeting shall be sent by the Clerk to the Board to the Chair of the Board or, in the case of the Board's Committees, to the Chair of the Committee, not less than three weeks before the date of the meeting. Such notice shall include an invitation to suggest matters to be included on the Agenda. The Clerk to the Board in consultation with the Chair shall prepare the draft agenda. Other members may place an item on the agenda for discussion by submitting this to the Clerk to the Board no later than 10 working days in advance of the meeting (except in the case of an extraordinary meeting where only the urgent business notified at the time the meeting was requested will be placed on the agenda). The Clerk shall ensure that all items placed on the agenda fall within the remit of the Board or Committee. #
- 5.16 All matters for consideration by the Board or Committee shall be clearly identified within each agenda item's Cover Sheet as to whether it is for approval, decision, discussion, noting or for information purposes.
- 5.4 Any item or document which it is proposed should be considered at a meeting must be submitted to the Clerk to the Board by the submission date specified within the calendar of meetings. The Clerk to the Board shall not include matters on the Agenda where notification has not been given by the date on which the Agenda is being finalised. Only in exceptional circumstances and then only with the prior approval of the Chair may a paper be accepted by the Clerk to the Board later than the specified date.
- 5.<u>175</u> The Agenda of Business must be approved by the Chair before being circulated to members of the Board. Once approved by the Chair the Notice calling the meeting and detailing the Agenda, together with all documentation relating thereto, shall be sent by the Clerk to the Board with notification of the date, time and place of the meeting to all Members not less than one week before the date of the meeting. Notices of meetings shall be sent electronically.
- 5.186 Only in exceptional circumstances should the Board or a Committee of the Board be requested to consider a matter which was not included on the Agenda of Business at the time the Agenda was circulated. Such a request must be raised at the commencement of the meeting and should only be granted where the Chair is of the opinion that, by reason of special circumstances which shall be specified in the Minutes, an additional matter should be considered at the meeting as a matter of urgency and the meeting agrees to accept the request.

#### **Reserved Matters**

5.7 Matters in relation to the salary, conditions of service, appointment, promotion, suspension or dismissal of any Member of the staff of the College will be considered under the reserved matters of business on the Agenda of the Board

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or at any of its Standing Committees. Other than the Principal and the Clerk to the Board, any Member of the Board who is a member of the College's staff or who is a member *ex officio* by virtue of being the representative of the students of the College shall withdraw from the meeting, or that part of the meeting, when such reserved matters are being considered unless invited to remain by virtue of a resolution by the other Members of Board or Committee as the case may be who are present at the meeting. When matters relating to the Principal or the Clerk to the Board are being considered, they shall also withdraw from that part of the meeting. In the absence of the Clerk to the Board, the Chair will record an accurate minute of that part of the meeting.

- 5.<u>198</u> Only in exceptional circumstances should matters other than those listed below be treated as reserved items.
  - (a) <u>matters relating to a Board member</u>, former Board members, an employee, former employee or applicant for employment in relation to the College;
  - (b) <u>matters relating to a person who is</u>, has been or is likely to be a student of the College;
  - (c) any information the disclosure of which is prohibited by any enactment;
  - (d) items of a confidential commercial nature.
- 5.209 All matters considered under reserved matters of business must be treated as confidential and must not be disclosed to third parties unless and until such disclosure is authorised by the Board.
- 5.2140 Any instances of unauthorised disclosure of reserved matters should be reported to the Chair via the Clerk to the Board or the Principal.

#### Quorum

- 5.11 At all meetings of the Board one third of the current membership shall constitute a quorum. However, irrespective of the number in attendance, the independent members of the Board must constitute and maintain an overall majority. If during the course of a meeting the independent members cease to constitute the majority the meeting shall stand adjourned to another day.
- 5.12 If at any time appointed for a meeting or, if before the business of any meeting has been completed, the number of members present is less than one third of the current membership, the Chair must adjourn the meeting to such day or time as the members determine and the meeting may be re-convened on less than one wook's notice.
- 5.13 No failure or defect in the appointment, election or co option of any member of the Board and no vacancy in the office of member shall prevent the Board from acting in the execution of its functions, nor shall any act or proceeding of the Board or any Committee appointed by it be invalidated or be illegal by reason of or in consequence of any such vacancy or of any such defect in the

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appointment or co-option of any one or more members of the Board, excepting only in a case where the Board is not quorate.

#### Adjourned Meetings

- 5.<u>22</u>44 Where a meeting is adjourned, temporarily, for a brief period for convenience, emergency or other cause, no special procedures are required when the meeting resumes. The remaining business shall be dealt with as if the meeting had been continuous.
- 5.2315 Where a meeting is adjourned to continue on another day, the Clerk to the Board shall endeavour to advise those members of the meeting who were not present when the meeting was adjourned of the date, time and place of the adjourned meeting. At the adjourned meeting only the unfinished business for which the original meeting was called shall be transacted, subject to the provisions of paragraph 3.2.5.
- 5.2416 At the discretion of the Chair, when there are no matters of urgency to be resolved, the unfinished business may be referred to the next ordinary meeting of the Board or Committee, when it shall take precedence over other business except for the confirmation of the Minutes of the previous meeting.

#### **Conduct of Meetings**

- 5.<u>25</u>47 Meetings shall commence promptly at the times shown on the Agenda. The Chair shall, at the outset of each meeting, agree the estimated finishing time with members as well as any proposed re-ordering of the business of the meeting.
- 5.<u>2618</u> Members should, wherever possible in advance of the meeting, seek any factual information they may need or notify any apparent errors in papers prior to the meeting itself.
- 5.2749 When speaking a Member shall be directed to the question and discussion in hand or to a point of order or a point of explanation. Although no fixed time limits are set either to the length of speeches or the number of times a member may speak, members should bear in mind the need for brevity and relevance and gauge the number and duration of their interventions accordingly.
- 5.2820 The Chair is responsible for ensuring that all Members have adequate opportunity to be heard, but may draw the attention of any Member to the need for economy in time or indicate to the meeting the view that the discussion should be brought to a close. The Chair may also call to order any Member whom he/she considers has strayed from the matter under consideration.
- 5.2<u>9</u>4 The Chair shall ensure that the Clerk to the Board has appropriate information to accurately record the decisions made.

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## **Motions and Amendments**

- 5.<u>3021</u> The Chair may require any motion, or motion of amendment to be put in writing by or on behalf of the mover, and delivered to the Clerk to the Board immediately on its being seconded.
- 5.<u>321</u> After a motion or motion of amendment has been made and seconded, it shall not be withdrawn or altered in substance without the leave of the mover or seconder.
- 5.<u>32</u>2 All amendments must be relevant to the motion on which they are moved, the Chair to decide as to relevancy.
- 5.<u>3</u>23 The Chair shall have power, with the consent of the meeting, to conjoin amendments which are not consistent with each other.
- 5.<u>324</u> The mover of the motion shall have the right to reply to the debate on his/her motion and any proposed amendments thereof. After the reply is concluded, the debate on that question shall be as closed.
- 5.325 When any amendment is made upon a motion the vote shall be taken between the motion and the amendment, the latter being put from the Chair first. When there is more than one amendment, the amendment last proposed shall be put against that immediately preceding, and then the one which is carried shall be put against the next preceding, and so on until there remains only one amendment. A vote shall then be taken between the amendment and the original motion. After the vote the motion or amendment shall, if demanded by any member, be put as a substantive resolution without further discussion. The foregoing order of voting may, however, be altered by the Chair with the consent of the meeting.
- 5.<u>3</u>26 On a motion being made 'that the question now under discussion be put<u>"</u>, such motion shall be at once. If the majority of the votes cast are in favour of the motion, the mover of the original motion may be allowed to sum up before a vote is taken on the question under consideration. If the motion for closure is not carried, the debate may be resumed.

#### Points of Order

5.27 Any Board Member may speak on a point of order. He/she shall do so as soon as possible after the alleged infringement and shall refer to the particular standing order which he/she believes is being infringed. The Board Member who is then addressing the meeting shall thereupon cease speaking. The Chair shall decide the question immediately. Thereafter the Board Member who was addressing the meeting at the time when the point of order was raised shall be entitled to proceed with the discussion, giving effect to the ruling of the Chair on the point of order.

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- 5.<u>3728 In the event of a division, the names of the proposer and the seconder of the</u> motion and amendment shall be taken down and entered in the minute. Unless otherwise specified in these <u>S</u>etanding <u>O</u>erders or agreed, voting shall be carried out by a show of hands and resolutions shall be carried by a simple majority of those present and voting. In the case of equality of votes at any meeting of the Board, the Chair of such meeting shall have a casting vote in addition to a deliberative vote other than where the subject of the vote relates to an election or appointment to office in which case then, in the event of an equality of votes, the matter shall be put to the vote again and if there remains an equality the matter shall be determined by drawing lots.
- 5.<u>3829</u> In the case of a vote regarding an election or appointment to office, the voting shall proceed by way of a confidential ballot unless the two-thirds of the members present and voting determine otherwise.

#### Dissents

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5.<u>3930</u> No dissents against any decision of the Board shall be recorded unless explicitly requested at the meeting at which the question is determined. Only a Board Member who has recorded a vote or an abstention on a matter under discussion shall be entitled to have <u>theirhis/her</u>-dissent recorded.

#### Minutes

- 5.4031 Minutes of meetings shall contain a clear statement of decisions taken.
- 5.<u>4132</u> Minutes of meetings shall be prepared by the Clerk to the Board and forwarded to the Chair of the meeting for comment as soon as reasonably possible after the meeting takes place and in any event within five working days thereafter. Draft minutes shall be prepared for the Chair's agreement as soon as reasonably practical after each meeting and shall be labelled "draft".
- 5.4233 At each ordinary meeting of the Board, the Minutes of the previous ordinary meeting and, (when practicable) of any intervening special meeting, having been printed and previously circulated, shall be approved for accuracy. No discussion shall be allowed at the meeting on these Minutes, except as to matters arising from the minutes to which they relate. After the minutes have been approved as a correct record, subject to or without amendment, they shall be signed by the Chair.
- 5.3<u>43</u>4——The Minutes of any special meeting of the Board, if not submitted for approval at the next ordinary meeting of the Board, shall be submitted for approval at the earliest subsequent ordinary meeting thereafter at which it is practicable so to do and shall be disposed of as provided in Standing Orders.
- 5.4435 Circumstances may arise which necessitate a Minute of a Board or Committee decision to be approved at the meeting at which the decision is taken; in such circumstances the Minute Secretary shall prepare a draft Minute for immediate consideration and approval by the Board or Committee.

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5.3<u>456</u>-The Clerk to the Board shall be responsible for ensuring that decisions taken by the Board and its Committees are formally notified to the responsible officer (and copied to the Principal) within five working days of the meeting so that he or she can, in turn, arrange for their implementation.

## 6. RESCINDING OF DECISIONS

- 6.1 A decision of the Board shall continue to be operative and binding until varied or rescinded but no motion to vary or rescind any decision passed within the preceding six months shall be competent except with the consent of two thirds of the Members present and voting.
- 6.2 However, it shall be competent to deal with the subject matter afresh where the Chair of the meeting is satisfied that a material change of circumstances has occurred (which shall be detailed in the Minutes of the meeting) which requires the matter to be considered anew.

#### 7. SPECIAL MEETINGS

- 7.1 The Chair or any four members of the Board may, for any cause which seems to him/her or them sufficient, requisition a special meeting of the Board to be convened by giving notice in writing to the Clerk to the Board, specifying the business to be transacted.
- 7.2 The Clerk to the Board shall then issue a notice of meeting in accordance with Para 5.5 above convening the meeting within five working days of receiving the requisition.
- 7.3 In exceptional circumstances (which shall be recorded in the Minute of the meeting) the Chair of the Board may convene a special meeting at less than five days' notice but no resolution passed at such meeting shall be valid unless two thirds of the members present and voting have voted in favour of it or unless it is confirmed at any subsequent meeting of the Board on the usual notice being given.
- 7.4 The Chair or any two members of any Board Standing Committee may also requisition a special meeting of that Committee under provisions as above.
- 7.5 The conduct of a special meeting of the Board or its Standing Committees will be in accordance with these Standing Orders except that such a special meeting shall not be competent to transact any business other than that detailed in the notice calling the meeting or any arising directly there from.
- 7.6 The Board may establish a specialist group where it considers that particular work, such as reviews of policy and procedure, will need to be undertaken outside of the formal schedule of meetings.

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## 8. COMMITTEES

#### **Establishment of Committees**

- 8.1 The Board shall establish Audit, Finance & General Purposes, Engagement Nominations, Chair's, and Remuneration Committees together with such other standing and ad hoc Committees as it considers necessary and appoint Board members and/or co-opted members and/or others to them taking account of their qualifications, interests and experience.
- 8.2 The Academic Affairs Committee will report to the Board and its membership will include two Board members.
- 8.3 Air Service Training (Engineering) Limited is a wholly owned subsidiary of Perth College, accountable to the Board of Management through the Chair of the Board of Directors.

#### **Appointment of Committee Chair**

8.4 The Board shall appoint a Chair to each Committee it establishes.

#### **Chair to Preside**

8.5 The Chair of a Committee shall preside at meetings of the Committee. If the Chair is not present at the time when the meeting is due to commence, the Vice Chair will preside. In the absence of both the Chair and Vice Chair, members of the Committee present shall elect a Chair of the meeting from among the members present who shall preside over the meeting in the absence of the Chair and Vice Chair.

#### Members ex officio

8.6 The Chair and Principal, in addition to membership of Committees allocated to them as ordinary members of the Board, shall *ex officio* be members of all other Committees of the Board, other than the Audit Committee, (and, in the case of the Principal, the Remuneration & Nominations Committees), but such additional membership shall not confer the right to vote. The Principal may be invited to attend meetings of the Remuneration Committee when matters relating to the salary, terms and conditions of Senior Management Team are being considered. As ex officio do the chair and the Principal contribute to the quorum yes

#### **Quorum of Committees**

8.7 The quorum of any Committee shall normally be at least one third of the total number of its members, subject to a minimum of three where the substantive membership is five or more or two where the substantive membership is less than five unless otherwise stated in the appropriate Committee's Terms of Reference. The majority of the quorum shall comprise independent members of the Board of Management.

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#### Minutes of Meetings of Committees

8.<u>78</u> The Minutes of Committees shall be submitted for confirmation as being correct records of the proceedings to the next appropriate meeting of the Committee and shall be submitted to the Board (a) for the information of the Board in respect of matters delegated to the Committee and (b) for the decision of the Board in respect of matters referred.

#### **Terms of Reference and Powers of Committees**

8.89 The Terms of Reference and Powers of Committees shall be as set out in the appendices to these Standing Orders.

#### Application of Standing Orders to Committees and Sub-Committees

8.910 The Board's Standing Orders shall apply with any appropriate amendments to meetings of Committees and sub-Committees of the Board as they apply to meetings of the Board.

#### 9. APPOINTMENT AND REAPPOINTMENT OF BOARD MEMBERS

#### Initial appointment of members

- 9.1 The Nominations Committee shall take guidance from the Board of Management where vacancies exist and liaise with the UHI Nominations Committee for Incorporated College Boards. It will approve the recruitment and selection methods and schedule and ensure compliance with the terms laid out in College Sector Board Appointments: Ministerial Guidance.
- 9.2 The shortlisting and interview process for independent members will be chaired by the Chair of the Board of Management, whilst the Chair of the UHI FE Regional Board a nominee of the Regional Strategic Body will chair panel meetings for the appointment of the Chair of the Perth College Board of Management.
- 9.3 Any recommendation of appointment by the Nominations Committee to the Board of Management will be subject to obtaining satisfactory references. Each recommendation shall be ratified by the full Board prior to the person taking their place on the Board of Management.
- 9.4 Appointments to the Board shall be for a period of four years in accordance with legislation, except for the Principal who remains a member as long as he/she is Principal and the Student Member whose term of office expires on 31st July following his/her appointment.

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#### **Election of Staff Members:**

- 9.5 Two members of staff will be appointed as Board members; one Teaching and one Support. Staff Elections are held for vacancies as they arise, and are conducted as follows:
  - All appropriate staff are informed of a vacancy and are invited to consider suitable nominations.
  - All nominations must be received on the appropriate form and duly seconded.
  - Where more than a single nomination is received, an election will be held, giving appropriate time for the relevant staff to register their vote.
  - The count will be undertaken in the presence of an independent scrutineer.

#### **Nomination of Student Members:**

9.6 Two student members will be appointed to the Board following the election of a <u>PCSA-HISA</u> President and <u>Vice PresidentsConvenors</u> elected by <u>the student</u> <u>membership his/her peers</u> following the agreed procedures set out in the <u>PCSA</u> <u>HISA Perth</u> Constitution.

#### **Reappointment of Members**

- 9.7 Three months prior to the end of a member's term of office, the Clerk to the Board shall write and remind them of their end-date, and invite them to indicate their willingness to be considered for re-appointment (subject to the limits on membership of the Board).
- 9.8 When indicating a willingness to be considered for reappointment, the member shall complete a self-appraisal proforma which includes:
  - · A clear statement of willingness to be reappointed;
  - Details of posts held;
  - Attendance record at Board/Committee meetings;
  - Any other relevant information;
  - An indication to undertake surgeries or other duties as required;
  - An indication to be available for consultation and advice and take an active interest in the College;

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- A willingness to remain in sympathy with and generally support the strategy and policies of the Board;
- An indication of their willingness to be considered as a Committee Chair or Vice Chair if the opportunity arises.
- 9.9 The self-appraisal forms will be provided as supporting evidence to enable the Board to consider an extension and if approved, put forward a request for the proposed extension to the <u>FE Regional BoardRegional Strategic Body</u>.
- 9.10 The members shall withdraw from the meeting during the discussion of their re-election.
- 9.11 In the case of the Chair being considered for re-election to the Board, the Vice Chair or a nominated Convenor shall take the chair and the Chair will withdraw from the meeting.
- 9.12 Requests for an extension of appointment of the Chair will be put forward to the FE Regional Board Regional Strategic Body for its consideration and approval.

#### **Termination of Membership**

- 9.13 Anyone –who is an undischarged bankrupt; who has an inability to manage his/her own affairs; whose conduct is unbecoming at meetings, or when representing the College or who has an unspent conviction has, within 5 years of the date on which the appointment would take effect, been sentenced to imprisonment for a period of not less than 3 months, whether suspended or not, without the option of a fine; is an undischarged bankrupt; or has been removed from office under section 24 of the Act (see Section 8 Mismanagement by Board) is prevented from being appointed to or continuing as a member of the Board of Management.
- 9.14 If it comes to the attention of the Chair or another Board member that a member may be suspected of any of the above categories, the Chair may invite the member -to attend a meeting of the Nominations Committee where he/she will be given an opportunity to explain his/her position.
- 9.15 The Nominations Committee, having listened to the explanation, shall prepare a report and recommendation for consideration by the Board of Management. The decision of the Board of Management will be conveyed to the member by the Clerk to the Board of Management.
- 9.16 The member in question shall have fourteen days in which to appeal against the Board's decision.
- 9.17 The appeal will be considered by the Chair; Convener of Audit, Principal, as the chief executive officer, and an independent observer. Should any of these noted be the member under consideration, their place on the appeals panel shall be taken by the Vice Chair.

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9.18 The decision of the Appeals Panel will be final.

#### **10. ADMISSION TO MEETINGS**

- 10.1 Meetings of the Board, and its Committees, shall be open to the public except where the item of business to be determined relates to:
  - (a) a member of the Board of Management, a former member of the Board of Management, an employee, former employee or applicant for employment in relation to the College;
  - (b) a person who is, has been or is likely to be a student of the College;
  - (c) any information, the disclosure of which is prohibited by anything in any enactment;
  - (d) items of a confidential commercial nature.
- 10.2 Notwithstanding the exclusion of the public as detailed above, the Board may permit any person to remain in attendance at any meeting for so long as they consider necessary and on the basis that such persons respect the confidentiality of the proceedings.
- 10.3 Information as to the proceedings at any meeting from which the public are excluded shall not be given to the public or to any other person except by the Chair of the meeting or by a person authorised by him/her to do so.
- 10.4 No person or body shall be permitted, without the permission of the Board, to tape record, photograph, video, film or use any other form of electronic, digital or computerised sound or visual recording system during meetings at which they are present.
- 10.5 The Clerk to the Board shall ensure that Notice of each meeting of the Board and its Committees shall be displayed on the main College Notice Boards at least seven days prior to the meeting and that a copy of the Agenda and papers for each such meeting (other than those relating to matters likely to be considered in private given what is seen as their confidential nature) are similarly placed in the College's Learning Resource Centre.
- 10.6 Where an item which was considered likely to be taken in private at such meetings is considered in public then, subject to the agreement of the Chair of the meeting, a copy of any paper relating to the matter shall be added by the Clerk to the Board as soon as reasonably practicable thereafter to the other papers for the meeting which were previously available to the public.

### 104. DISCLOSURE OF INTERESTS

11-01 Members of the Board shall at all times be mindful of the need to observe the highest standards of probity, integrity and accountability in discharging their

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roles as members of the Board and in doing so shall be bound by whatever statutory rules, national guidelines, the College Development Network's Guide for College Board Members and the Perth College Code of Conduct for Board Members which are in force at the time.

- 410.2 Without prejudice to the foregoing generality however the following shall apply:
  - (a) All members of the Board and Senior Managers of the College are required to complete and sign a Declaration of Interest form on a <u>six monthly regular</u> basis. Such interests shall also include those of close family members.
  - (b) All members of the Board and Senior Managers of the College are required to declare to the Clerk to the Board in writing any additional interests that arise throughout the year.
- 104.3 Any member who has a clear and substantial interest in a matter under discussion shall declare that interest, whether or not that interest is already declared in the Register of Interests. Such declaration should make clear the nature of the interest and whether it involves a matter of direct or indirect financial interest to the member. Where such an interest constitutes a direct or indirect interest, the member involved will not be permitted to vote on the matter under consideration and will normally be required to withdraw from the meeting while the matter is being considered and determined.
- 104.4 Where a member has an interest which is not financial but which is relevant to the activities of the College, that interest should also be declared. Where the interest is substantial the member involved shall withdraw from the meeting whilst the matter is being considered and determined.
- 104.5 In all circumstances members should ask themselves whether members of the public, knowing the facts of the situation, would reasonably conclude that the interest involved might influence the approach taken by the Board or Committee. If so, the interest is sufficient for the member to declare that interest.
- 104.6 Where no relevant interests are declared at a meeting, this shall be noted and a nil declaration statement minuted.

## 112. RISK MANAGEMENT

The Board of Management:

- has responsibility for overseeing Risk Management within the College;
- will set the tone and influence the culture of Risk Management within the College;
- approve major decisions affecting the College's risk profile or exposure;

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- monitor the management of significant risks to reduce the likelihood of unwelcome surprises or impact;
- satisfy itself that the less significant risks are being actively managed, with appropriate controls in place and working effectively;
- annually review the College's approach to risk management and approve changes or improvements to key elements of its processes and procedures.

## 123. APPENDICES-

#### A. TERMS OF REFERENCE

Academic Affairs Committee Audit Committee Chairs Committee Engagement Committee Finance and General Purposes Committee Remuneration Committee Search and Nominations Committee AST Board of Directors

## **B. SCHEME OF DELEGATION**

Introduction Compliance Review Authority reserved to the Board of Management Delegation to the Chair of the Board of Management Delegation to the Committees of the Board of Management Delegation to the Principal Delegation to the Clerk to the Board

#### C. CODE OF CONDUCT Section 1: Introduction to the Code of Conduct

Appointments to the Boards of Public Bodies Guidance on the Code of Conduct Enforcement

#### Section 2: Key Principles of the Code of Conduct

#### Section 3: General Conduct

Conduct at Meetings Relationship with Board Members and Employees of Public Bodies

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Remuneration, Allowances and Expenses Gifts and Hospitality Confidentiality Requirements Use of Public Body Facilities Appointment to Partner Organisations

Section 4: Registration of Interests

Category One: Remuneration Category Two: Related Undertakings Category Three: Contracts Category Four: Houses, Land and Buildings Category Five: Interest in Shares and Securities Category Six: Gifts and Hospitality Category Seven: Non Financial Interests

## Section 5: Declaration of Interests General

Interests which Require Declaration Your Financial Interests Your Non-Financial Interests The Financial Interests of Other Persons The Non-Financial Interests of Other Persons Making a Declaration Frequent Declaration of Interests Dispensations

#### Section 6: Lobbying and Access to Members of Public Bodies Introduction Rules and Guidance

Annexes Annex A Sanctions Available to the Standards Commission for Breach of Code

Annex B: Definitions

D. FINANCIAL MEMORANDUM BETWEEN UHI AND PERTH COLLEGE

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#### 13. APPENDICES – TERMS OF REFERENCE OF COMMITTEES

#### **Standing Committee Summary**

## Academic Affairs Committee

The Academic Affairs Committee oversees the academic and learner support activities of the College and provides guidance on issues related to the Learner Experience. It sets and monitors the College's curriculum and research strategies and reviews related policies.

### **Audit Committee**

The College's Financial Memorandum with its Regional Strategic Body requires an Audit Committee. The Audit Committee ensures effective internal control systems are in place; ensures compliance with corporate governance requirements; reports to the Board on internal financial control prior to signing the financial statement and oversees risk. The Committee is also responsible for appointing the internal auditors and monitoring both internal and external auditors.

### **Chairs Committee**

The Chairs' Committee exercises the functions of the Board in any cases of urgency and provides an overview of Board operation.

### **Engagement Committee**

The Engagement Committee is responsible for Board development and engagement with internal and external stakeholders. It is responsible for ensuring effective Board self evaluation, monitoring organisational development and learner engagement and developing links with external stakeholders.

#### **Finance and General Purposes Committee**

The Finance and General Purposes Committee is responsible for monitoring the College's financial position and financial control systems. It approves all key financial decisions, approves the annual budget, considers the annual accounts and recommends for approval, oversees the system of financial control and delegated authority. It also considers any other matters relevant to the financial duties of the Board including human resource. It safeguards the College's estate, monitors the overall development of estates strategy and recommends on major capital projects to the Board.

## **Remuneration Committee**

The Remuneration Committee is responsible for consideration of the Principal, Senior Management Team and Clerk to the Board's pay and conditions.

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## Search and Nominations Committee

The search and nN ominations committee makes recommendations on the Board's composition and the procedures for appointment of Board members.

## **AST Board of Directors**

Air Services Training (Engineering) Limited is a wholly owned subsidiary of Perth College, accountable to the Board of Management through the Chair of the Board of Directors.

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## **ACADEMIC AFFAIRS COMMITTEE**

## **Membership**

Principal – Chair No fewer than 2 Representatives of the Board of Management (one to be Vice-Chair) 2 Academic Staff Representatives (Board Teaching staff representative plus one other nominated teaching staff representative) 2 Student Representatives nominated by HISA Depute Principal (Academic) Vice Principal (Engagement) Associate Principal (Academic) Chair of Scholarship and Research Committee Head of Student Experience Head of Learning and Teaching Enhancement

## **By invitation**

Student Services Manager Student Records Manager Quality Manager

## <u>Quorum</u>

The quorum shall be 7 including the Chair or Vice Chair and must include one Board of Management Member

## **Frequency of Meetings**

Normally 3 times per academic session, and as required.

### **Terms of Reference**

The Academic Affairs Committee is responsible for the overall quality and academic business of the College in respect of the student experience, teaching, research, and enterprise.

Within this overall remit the Academic Affairs Committee shall have the specific functions and responsibilities listed below:

- <u>1.</u> To lead the review and development of the academic portfolio in line with the College's Strategic Plan to ensure it remains relevant in terms of Scottish Government policy and industry developments across all sectors of the economy and provide advice to the Board of Management as required.
- 2. To reflect on trends in education to encourage innovation and curriculum development and promote best practice in regard to the pedagogical environment to ensure that the College successfully serves the needs of students and other stakeholders, and is preparing effectively to meet future needs.

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3. To undertake a high level review of:

- key aspects of academic performance, including student retention, progression, attainment and achievement;
- performance on admissions, access and inclusion;
- arrangements for articulation and partnership;
- approaches to learning and teaching;
- the volume and themes of student complaints, and their handling and outcomes.
- 4. To maintain an overview of academic quality assurance and outcomes by reviewing reports from the Quality Assessment Committee and other relevant internal and external sources including feedback and evaluation from student and stakeholder surveys.
- 5. To consider the implications of reports and updates from other relevant College and UHI Committees and, where appropriate, act to ensure the relevance and currency of the academic offer.
- <u>6. To prioritise and make recommendations in respect of work force planning and continuing professional development for academic staff.</u>
- 7. To review and approve College's policies and strategies that relate directly to the student experience in terms of student induction and support, matters concerning student discipline and appeals.
- 8. To instigate any actions the Committee considers appropriate to maintain and enhance Perth College UHI as a centre of educational excellence.
- 9. To receive reports from the Scholarship and Research and Quality Assessment Committees.

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## AUDIT COMMITTEE

### **Membership**

<u>No fewer than 3 members of the Board of Management.</u> <u>One place reserved for a Student Member of the Board, as nominated by HISA Perth</u>

- Board members not eligible for appointment are the Chair of the Board, the
   Principal, the Chair of the Finance and General Purposes Committee, the persons
   elected by the teaching staff and the non teaching staff of the College and the
   persons appointed by the Perth College Students' Association.
- No member of the Finance and General Purposes Committee shall also be a member of the Audit Committee.
- The Chair of the Board, the Principal and the Chair of the Finance and General Purposes Committee shall be invited to attend meetings.
- The Committee may sit privately without any non-members present for all or part of a meeting if they so decide.
- The College Executive will attend meetings at the invitation of the Committee
   <u>Chair and provide information for Agenda items</u>

In attendance Vice Principal (External) Depute Principal (Academic)

Quorum The Quorum shall be 3 members.

## <u>Frequency of Meetings</u> The Committee shall meet no less than three times per year.

### **Objectives**

The Audit Committee's main responsibilities include advising the Board on whether:

- There are systems in place to ensure that the College's activities are managed in accordance with legislation and regulations governing the sector.
- A system of governance, internal control and risk management has been established and is being maintained, which provides reasonable assurance of effective and efficient operations and produces reliable financial information.
- There are systems in place to ensure the Committee engages with financial reporting issues

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## Terms of Reference

## **Internal Control**

- 1. Reviewing and advising the Board of Management of the internal and the external auditor's assessment of the effectiveness of the college's financial and other internal control systems, including controls specifically to prevent or detect fraud or other irregularities as well as those for securing economy, efficiency and effectiveness; and
- 2. Reviewing and advising the Board of Management on its compliance with corporate governance requirements and good practice guidance including a strategic overview of risk management.
- 3. Strategic oversight of Health and Safety, Freedom of Information and Data Protection on behalf of the Board.

## Internal Audit

- 1. Advising the Board of Management on the selection, appointment or reappointment and remuneration, or removal of the internal audit provider.
- 2. Advising the Board of Management on the terms of reference for the internal audit service.
- 3. Reviewing the scope, efficiency and effectiveness of the work of internal audit, considering the adequacy of the resourcing of internal audit and advising the Board of Management on these matters.
- Advising the Board of Management of the Audit Committee's approval of the basis for and the results of the internal audit needs assessment and the strategic and operational planning processes.
- 5. Approving the criteria for grading recommendations in assignment reports as proposed by the internal auditors.
- 6. Reviewing the internal auditor's monitoring of management action on the implementation of agreed recommendations reported in internal audit assignment reports and internal audit annual reports.
- Considering salient issues arising from internal audit assignment reports, progress reports, annual reports and management's response thereto and informing the Board of Management thereof.
- 8. Informing the Board of Management of the Audit Committee's approval of the internal auditor's annual report.
- 9. Ensuring establishment of appropriate performance measures and indicators to monitor the effectiveness of the internal audit service.

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- 10. Securing and monitoring appropriate liaison and co-ordination between internal and external audit.
- 11. Ensuring good communication between the Committee and the internal auditors.
- 12. Responding appropriately to notification of fraud or other improprieties received from the internal auditors or other persons.
- 13. Reviewing the Risk Management Register.

### **External Audit**

The appointment of external auditors to the College is directed by Audit Scotland.

- 1. Considering the college's annual financial statements and the external auditor's report prior to submission to the Board of Management by the Finance Committee. Care should be taken, however, to avoid undertaking work that properly belongs to the Finance and General Purposes Committee. If within its terms of reference, the Committee should consider the external audit opinion, the Statement of Members' Responsibilities and any relevant issue raised in the external auditor's management letter.
- 2. Reviewing the external auditor's annual Management Letter and monitoring management action on the implementation of the agreed recommendations contained therein.
- 3. Advising the Board of Management of salient issues arising from the external auditor's management letter and any other external audit reports, and of management's response thereto.
- 4. Reviewing the statement of corporate governance.
- 5. Establishing appropriate performance measures and indicators to monitor the effectiveness of the external audit provision.
- 6. Reviewing the external audit strategy and plan.
- 7. Holding discussions with external auditors and ensuring their attendance at Audit Committee and Board of Management meetings as required.
- Considering the objectives and scope of any non-statutory audit work undertaken or to be undertaken, by the external auditor's firm and advising the Board of Management of any potential conflict of interest.
- 9. Securing appropriate liaison and co-ordination between external and internal audit.

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## Value for Money

- 1. Establishing and overseeing a review process for evaluating the effectiveness of the college's arrangements for securing the economical, efficient and effective management of the college's resources and the promotion of best practice and protocols, and reporting to the Board of Management thereon.
- Advising the Board of Management on potential topics for inclusion in a programme of value for money reviews and providing a view on the party most appropriate to undertake individual assignments considering the required expertise and experience.
- 3. Advising the Board of Management of action that it may wish to consider in the light of national value for money studies in the further education sector.

## Advice to the Board of Management

- 1. Reviewing the college's compliance with the Code of Audit Practice and advising the Board of Management on this.
- 2. Producing an annual report for the Board of Management.
- 3. Advising the Board of Management of significant, relevant reports from the Scottish <u>Funding Council and National Audit Office and successor bodies and, where</u> <u>appropriate, management's response thereto.</u>
- 4. Reviewing reported cases of impropriety to establish whether they have been appropriately handled.

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## **CHAIRS' COMMITTEE**

### **Membership**

<u>The Chair of the Board of Management.</u> <u>The Vice Chair of the Board of Management.</u> <u>The Chair of each of the Standing Committees of the Board.</u> <u>The Principal (ex officio).</u>

If a Standing Committee Chair is not able to attend a meeting of the Chairs' Committee, the Standing Committee Vice Chair or a Standing Committee member are to be invited to deputise for the Committee Chair.

<u>Quorum</u> The Quorum shall be 3 members.

## Frequency of Meetings

The Committee shall meet not less than 4 times per year.

## **Terms of Reference**

## The Chairs' Committee shall:

- exercise the functions of the Board in any cases of urgency of which the Chair of the Board with the Vice Chair or the Chair of a Standing Committee shall be the judge and where it is not practicable to convene a meeting of the full Board. The Chair of the Board shall seek to consult with no less than 2 other members of the Chairs' Committee on any matters requiring Chairs' action.
- 2. At the specific request of the Board consider matters of special interest which are not within the remit of another Standing Committee.
- 3. Maintain an overview of the work of the Board and Committees, planning and co-ordinating activity as required to ensure the primary responsibilities and functions of the Board are discharged through the Board of Management and established Standing Committee structure.
- 4. To consider strategic matters and future issues including horizon scanning external developments in order to advise the Board on future proofing the strategic plan
- 5. To review annually the membership and terms of reference of the Board's Standing Committees and the overall effectiveness of the Board's Committee Structure and to recommend to the Board any amendments or additions considered appropriate.

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## **ENGAGEMENT COMMITTEE**

## **Membership**

<u>Chair of Academic Affairs Committee (ex officio)</u> <u>No fewer than 3 other Board of Management members, to include one staff member.</u> <u>2 student members nominated by HISA Perth</u>

### In attendance

Depute Principal (Academic) Vice Principal (External) Head of Human Resources and Organisation Development

Quorum The quorum shall be 3 members

#### Frequency of Meetings The Committee shall meet no less than three times per year.

Terms of Reference

This Committee is responsible for four main aspects of College business: Student Experience and Engagement, External Stakeholder Engagement, Human Resources and Staff Engagement and Board of Management development.

## Student Experience and Engagement

- 1. To ensure the Board is working proactively to ensure effective Board level engagement with the student experience.
- To ensure the Board engages proactively and work collaboratively with HISA having oversight of key HISA developments and governance arrangements.
- 3. To receive regular reports from Management and Students on progress with student engagement in the operation of the College.

## External Stakeholder Engagement

- 4. To provide direction on strategic external engagement priorities for the College.
- 5. To contribute to the College awareness of its market position in Perth and Kinross through dialogue with the Board of Management members' own external, government and private and third sector contacts.
- 6. To review the College's external environment and interpretation of relevant information with the purpose of providing leadership on the currency of strategic direction
- 7. To work with and influence a range of key external stakeholders (e.g., the Perth and Kinross Young Work Force Group, the Perth and Kinross Community

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Planning Partnership, Perth City Development Trust, the Outcome Delivery Group).

8. To represent the College with peers across the UHI Academic Partners.

#### Human Resources and Staff Engagement

- 9. To oversee the development and auditing of organisational engagement strategies including monitoring staff survey outcomes.
- <u>10. To monitor progress of our general and specific duties under the Equalities Act</u> <u>through review of reports and action plans.</u>
- <u>11. To ensure the Board is taking an active and planned approach in its</u> responsibility to staff.
- <u>12. To receive reports from the Equality, Diversity and Inclusion Team (EDIT)</u> <u>Committee.</u>

#### **Board of Management Development**

- <u>13. To develop procedures for the induction and ongoing training and development</u> of Board members
- <u>14. To ensure Board Members are able to operate effectively and to develop into the roles of Chair of Committee and Vice Chair as appropriate.</u>
- 15. To ensure effective self evaluation of the Board and its Standing Committees
- 16. To develop an annual programme for Board Development activities.

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FINANCE AND GENERAL PURPOSES COMMITTEE	Formatted: Font: Arial
Membership	
<u>Chair (ex officio).</u> <u>Vice Chair (ex officio).</u> <u>Principal (ex officio).</u> <u>No fewer than <b>2</b> other Board of Management members.</u> <u>1 Student Member as nominated by HISA Perth.</u>	Formatted: Font: Arial
In attendance Depute Principal (Academic) Vice Principal (External) Head of Human Resources and Organisational Development	
Quorum The quorum shall be 4 members of which at least 2 to be independent Board of Management members.	Formatted: Font: Arial
Frequency of Meetings The Committee shall meet no less than four times per year.	
Terms of Reference	
1 Consideration of the annual estimate of revenue income and expenditure.	
2 Consideration of the annual estimate of capital income and expenditure.	
<u>3* Responsibility to ensure that appropriate control systems are in place:</u>	
a To administer and control all revenue and capital grants received from the Scottish Government and all other sources.	
b To administer and control the payment of all monies due and the collection of all income due.	
<u>c</u> To ensure the efficient management of the College Catering Service and Food Court and Halls of Residence.	
d To administer and control matters relating to the repair, maintenance and upkeep of land, buildings etc.	
4 Liaison with the Audit Committee in reporting to the Board on the state of the College's finances.	
5 Consideration and approval of the College's Financial Regulations and Procedures, ensuring their implementation, monitoring and review in relation to all matters financial, including approving organisations in which funds may be invested and setting investment limits.	
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- 6 Generally the formulation of advice to the Board on financial matters and the supervision of the financial affairs of the Board.
- 7 Strategic oversight of procurement, contract management and ICT service level agreement on behalf of the Board.
- 8\* Consideration of tenders received for any works the cost of which are in excess of £50,000.
- 9 The acquisition and/or disposal of heritable property whether by purchase/sale or lease.
- 10\*Consideration of any proposals to obtain plant equipment furnishings or<br/>fittings the cost of which is expected to be more than £50,000.
- 11
   Consideration and assessment of priorities for capital grant for new building work or the major modification of existing buildings. Recommendations to the Board on issues relating to College estates and resources
- <u>12</u> The oversight of the Board's statutory functions and responsibilities as an employer of the staff of the College.
- 13 Consideration of all matters relating to:
  - a The establishment and staffing structure of the College.
  - b The salaries, wages and conditions of service of all staff except the Principal, Executive and Managers as individual contracts with the Board.
- 14 Responsibilities for early retirement/early severance policy.
- 15 Oversight of the disciplinary and grievance policies and procedures of the College.
- 16 Consideration of matters relating to staff relations including union recognition and local bargaining agreements.

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### **REMUNERATION COMMITTEE**

#### **Membership**

Board Chair Board Vice Chair The Chair of each of the Standing Committees of the Board (excepting Academic Affairs Committee)

The Chair of the Board of Management shall not chair the Remuneration Committee.

#### Quorum The Quorum shall be 3 members.

**<u>Frequency of Meetings</u>** The Committee shall meet no less than once per year.

#### **Terms of Reference**

To consider and make recommendations to the Chair's Committee on the remuneration package of the College Principal and such other senior staff whose remuneration and other terms and conditions are individually agreed with the Board, taking into account:

- 1. That College senior management should be fairly rewarded for their individual performance and contribution to the college's overall performance.
- 2. Where, in terms of senior management remuneration, the College stands in relation to other comparably sized institutions in the sector;
- 3. The Scottish Government's guidance for remuneration in the public sector;
- The relationship between the remuneration of the senior management and that of other employees of the college and the Scottish Government's public sector pay guidance;
- 5. The benefits granted to senior management;
- 6. The adequacy of pension arrangements and also the cost implication of pension arrangements, including the pension effect of remuneration proposals.

#### **Authority**

The Remuneration Committee is accountable to the Board of Management and is authorised on its behalf to:

1. Set and agree key objectives for the Principal annually. These objectives will take into account the priorities of the Strategic Plan and any important emerging priorities. Objective setting will be carried out by the Chair on behalf

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of the Committee, and should seek the views of students and staff in setting the performance measures;

- 2. Conduct an Annual Review and Appraisal no later than 30 September and base the appraisal on the progress achieved against targets and the agreed key objectives identified in the Strategic Plan. This will be carried out by the Chair on behalf of the Committee and the outcome will be reported to the Remuneration Committee;
- 3. Satisfy itself that the Principal's remuneration is fair and consider any grounds for review. This may involve evidence gathered and submitted by staff and students, or other evidence such as benchmarks of remuneration packages at other colleges;
- 4. Consider whether any remuneration received by the Principal from third party sources which relate either directly or indirectly to any College activities and which must be declared to the Remuneration Committee, has any bearing on the level of the Principal's salary.
- 5. Keep under review specific details of the contract of employment between the Board of Management of Perth College and the Principal;
- <u>6. The Principal should attend the Remuneration Committee for the</u> <u>consideration of salaries that are based on the Principal's recommendation;</u>
- 7. Consider and approve any responsibility payments or nonconsolidated payments recommended by the Principal for senior management;
- 8. Consider and agree severance arrangements in respect of senior management post holders and ensure such arrangements are in accordance with SFC Guidance;

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#### BOARD OF DIRECTORS OF AIR SERVICE TRAINING (ENGINEERING) LTD

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#### **Terms of Reference**

#### Membership

<u>3 Directors from Perth College Board of Management (2 of whom to be Chair and Vice Chair)</u> <u>Principal and Chief Executive of Perth College</u> <u>General Manager of Air Service Training (Engineering) Limited</u> <u>Up to 2 external non-executive Directors.</u>

#### <u>Quorum</u>

The quorum shall be 4 members, at least two of whom to be members of the Board of Management.

#### In Attendance

Vice Principal External Engagement AST Company Secretary AST SMT members by invitation

#### **Frequency of Meetings**

The Board shall meet no less than four times per year.

#### **Terms of Reference**

- 1 To approve, monitor and review strategy in relation to the generation of new business opportunities.
- 2 To consider and promote proposals for enhancing the efficiency and effectiveness of the company.
- 3 To consider market opportunities and to make decisions on marketing strategies and plans to address these opportunities.
- 4 To monitor and review the actual performance against the budget and forecasts in respect of progress towards achieving the business plan.
- 5 To recommend the annual accounts for approval to the Board of Management of Perth College, through the Finance and General Purposes Committee.
- 6 To monitor and review the annual budget and three year business plan for Air Service Training (Engineering) Limited and to recommend its approval to the Board of Management of Perth College.
- 7 To receive and consider reports regarding the award of commercially focused contracts.
- 8 To consider the physical development of Air Service Training (Engineering) Ltd and make recommendations to the Board of Management of Perth College.

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9 To consider all commercial and any other business aspects relating to AST

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#### **ACADEMIC AFFAIRS COMMITTEE**

#### Membership

Principal – Chair 2 Representatives of the Board of Management (one who will be Vice Chair of the Committee) 2 Academic Staff Representatives 2 Support Staff Representatives 2 Student Representatives nominated by the Students' Association Vice Principal Academic Curriculum and Business Engagement Director International and Corporate Services Director Head of Quality Head of Student Services Head of Student Records Chair of Research and Scholarship Committee Head of Academic Practice

#### Quorum

The quorum shall be 8 including the Chair or Vice Chair (note independent members of the Board can never be the majority in this committee)

#### **Frequency of Meetings**

Normally 3 times per academic session, and as required.

#### **Terms of Reference**

The Academic Affairs Committee shall ensure the overall quality and academic health of the College in respect of the student experience, teaching, research, and enterprise.

Within this overall remit the Academic Affairs Committee shall have the specific function and responsibilities listed below:

- Proactively lead the development and review of the academic portfolio, in line with the College's Strategic Plan, to ensure it remains relevant in terms of Scottish Government policy and Industry developments across all sectors of the economy: private, public and third.
- 2 Ensure that the student experience remains at the heart of the academic offer and is continually benchmarked and reviewed in the context of best practice in the sector.

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- 3 Promote best practice in regard to the teaching and learning environment in order to maximise and enhance student learning and achievement.
- 4 Commission research, and based on the outcomes of that research, propose actions to enhance quality and assure high standards in respect of the student experience and related pedagogical experience.
- 5 Be alert to factors likely to impact on the development and delivery of the academic portfolio e.g. student funding, Scottish Government policy, and sector developments.
- 6 On receiving reports and updates from other relevant College and UHI Committees, consider the implications for the College, and where appropriate act to ensure the relevance and currency of the academic offer.
- 7 Prioritise and make recommendations in respect of work force planning and continuing professional development, in so far as this underpins and enhances a dynamic College environment; the academic, research, scholarship and enterprise offer.
- 8 Review and endorse the College's policies and strategies that relate directly to the student experience.
- 9 Instigate any actions it considers appropriate to maintain and enhance Perth College UHI as a centre of educational excellence.

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#### **Audit Committee**

#### Membership

No fewer than 4 members of the Board of Management. Ideally at least one member to have recent relevant financial or audit experience

- Board members not eligible for appointment are the Chair of the Board, the Principal, the Chair of the Finance and General Purposes Committee, the persons elected by the teaching staff and the non teaching staff of the College and the persons appointed by the Perth College Students' Association.
- No member of the Finance and General Purposes Committee shall also be a member of the Audit Committee.
- The Chair of the Board, the Principal and the Chair of the Finance and General Purposes Committee shall be invited to attend meetings.
- The Committee may sit privately without any non-members present for all or part of a meeting if they so decide.
- The Committee should sit privately with the internal and external auditors without the Executive team present at least annually.
- The College Executive will attend meetings at the invitation of the Committee
   Chair and provide information for Agenda items

#### In attendance

Director of Finance Vice Principal, Academic Vice Principal, Human Resources and Communications

#### Quorum

The Quorum shall be 3 members.

#### **Frequency of Meetings**

The Committee shall meet no less than three times per year.

#### **Objectives**

The Audit Committee's main responsibilities include advising the Board on whether:

- There are systems in place to ensure that the College's activities are managed in accordance with legislation and regulations governing the sector.
- A system of governance, internal control and risk management has been established and is being maintained, which provides reasonable assurance of effective and efficient operations and produces reliable financial information.
- There are systems in place to ensure the Committee engages with financial reporting issues

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#### **Terms of Reference**

#### **Internal Control**

- 1. Reviewing and advising the Board of Management of the internal and the external auditor's assessment of the effectiveness of the college's financial and other internal control systems, including controls specifically to prevent or detect fraud or other irregularities as well as those for securing economy, efficiency and effectiveness; and
- 2. Reviewing and advising the Board of Management on its compliance with corporate governance requirements and good practice guidance including a strategic overview of risk management.
- 3. Strategic oversight of Health and Safety, Freedom of Information and Data Protection on behalf of the Board.

#### **Internal Audit**

- 1. Advising the Board of Management on the selection, appointment or reappointment and remuneration, or removal of the internal audit provider.
- Advising the Board of Management on the terms of reference for the internal audit service.
- Reviewing the scope, efficiency and effectiveness of the work of internal audit, considering the adequacy of the resourcing of internal audit and advising the Board of Management on these matters.
- Advising the Board of Management of the Audit Committee's approval of the basis for and the results of the internal audit needs assessment and the strategic and operational planning processes.
- Approving the criteria for grading recommendations in assignment reports as proposed by the internal auditors.
- 6. Reviewing the internal auditor's monitoring of management action on the implementation of agreed recommendations reported in internal audit assignment reports and internal audit annual reports.
- 7. Considering salient issues arising from internal audit assignment reports, progress reports, annual reports and management's response thereto and informing the Board of Management thereof.
- Informing the Board of Management of the Audit Committee's approval of the internal auditor's annual report.
- 9. Ensuring establishment of appropriate performance measures and indicators to monitor the effectiveness of the internal audit service.

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- 10. Securing and monitoring appropriate liaison and co-ordination between internal and external audit.
- 11. Ensuring good communication between the Committee and the internal auditors.
- 12. Responding appropriately to notification of fraud or other improprieties received from the internal auditors or other persons.
- 13. Reviewing the Risk Management Register.

#### **External Audit**

The appointment of external auditors to the College is directed by Audit Scotland.

- 1. Considering the college's annual financial statements and the external auditor's report prior to submission to the Board of Management by the Finance Committee. Care should be taken, however, to avoid undertaking work that properly belongs to the Finance and General Purposes Committee. If within its terms of reference, the Committee should consider the external audit opinion, the Statement of Members' Responsibilities and any relevant issue raised in the external auditor's management letter.
- Reviewing the external auditor's annual Management Letter and monitoring management action on the implementation of the agreed recommendations contained therein.
- Advising the Board of Management of salient issues arising from the external auditor's management letter and any other external audit reports, and of management's response thereto.
- Reviewing the statement of corporate governance.
- 5. Establishing appropriate performance measures and indicators to monitor the effectiveness of the external audit provision.
- 6. Reviewing the external audit strategy and plan.
- 7. Holding discussions with external auditors and ensuring their attendance at Audit Committee and Board of Management meetings as required.
- Considering the objectives and scope of any non-statutory audit work undertaken or to be undertaken, by the external auditor's firm and advising the Board of Management of any potential conflict of interest.
- 9. Securing appropriate liaison and co-ordination between external and internal audit.

**Value for Money** 

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- 1. Establishing and overseeing a review process for evaluating the effectiveness of the college's arrangements for securing the economical, efficient and effective management of the college's resources and the promotion of best practice and protocols, and reporting to the Board of Management thereon.
- Advising the Board of Management on potential topics for inclusion in a programme of value for money reviews and providing a view on the party most appropriate to undertake individual assignments considering the required expertise and experience.
- 3. Advising the Board of Management of action that it may wish to consider in the light of national value for money studies in the further education sector.

#### Advice to the Board of Management

- 1. Reviewing the college's compliance with the Code of Audit Practice and advising the Board of Management on this.
- 2. Producing an annual report for the Board of Management.
- 3. Advising the Board of Management of significant, relevant reports from the Scottish Funding Council and National Audit Office and successor bodies and, where appropriate, management's response thereto.
- Reviewing reported cases of impropriety to establish whether they have been appropriately handled.

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For Review by Board of Management June 2020

#### **Chair's Committee Terms of Reference**

#### Membership

The Chair of the Board of Management. The Vice Chair of the Board of Management. The Chair of each of the Standing Committees of the Board. The Principal (ex officio).

If a Standing Committee Chair is not able to attend a meeting of the Chairs' Committee, the Standing Committee Vice Chair or a Standing Committee member are to be invited to deputise for the Committee Chair.

Quorum The Quorum shall be 3 members.

Frequency of Meetings The Committee shall meet not less than 4 times per year.

#### **Terms of Reference**

#### The Chairs' Committee shall:

- exercise the functions of the Board in any cases of urgency of which the Chair of the Board with the Vice Chair or the Chair of a Standing Committee shall be the judge and where it is not practicable to convene a meeting of the full Board. The Chair of the Board shall seek to consult with no less than 2 other members of the Chairs' Committee on any matters requiring Chairs' action.
- 2. At the specific request of the Board consider matters of special interest which are not within the remit of another Standing Committee.
- Maintain an overview of the work of the Board and Committees, planning and coordinating activity as required to ensure the primary responsibilities and functions of the Board are discharged through the Board of Management and established Standing Committee structure.
- 4. To consider strategic matters and future issues including horizon scanning external developments in order to advise the Board on future proofing the strategic plan
- 5. To review annually the membership and terms of reference of the Board's Standing Committees and the overall effectiveness of the Board's Committee Structure and to recommend to the Board any amendments or additions considered appropriate.

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#### **Engagement Committee**

#### Membership

Chair of Academic Affairs Committee (ex officio) No fewer than 3 other Board of Management members, to include one staff member. 2 student members nominated by the Perth College Students' Association (PCSA)

#### In attendance

Vice Principal, Academic Vice Principal, Human Resources and Communications Business Engagement Director

Quorum The quorum shall be 3 members

Frequency of Meetings The Committee shall meet no less than three times per year.

#### **Terms of Reference**

This committee is responsible for Board development and engagement with staff, students and external stakeholders.

#### **Student Engagement**

- 1. To ensure the Board is working proactively to ensure effective Board engagement with the student experience
- To oversee the PCSA Advisory Committee as a Sub Committee of the Engagement Committee and have oversight of key PCSA developments and governance arrangements
- 3. To ensure effective management of the PCSA President
- To receive regular reports from the Student Representative Council and monitor the College response to student concerns
- 5. To receive regular reports from Management and Students on progress with student engagement in the operation of the College.

#### External Stakeholder Engagement

- 6. Provide direction on the strategic priorities in relation to external engagement across the College
- 7. Contribute to the College awareness of its market position in Perth and Kinross through dialogue with the Board of Management members' own external, governmental, private and third sector contacts.

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- 8. Review the College's external environment and interpretation of relevant information with the purpose of providing leadership on the currency of the strategic direction.
- 9. To be aware of and input on behalf of the College to the range of external business engagement groups and initiatives the College is involved with (e.g., the Perth and Kinross Young Work Force Group, the Perth and Kinross Community Planning Partnership, Perth City Development Trust, the Outcome Delivery Group).
- 10. To represent the College with peers across the UHI Academic Partners.

#### Human Resources and Organisational Development

- 12. To monitor the staff survey and organisational development and engagement perspective of the Balanced Scorecard
- 13. To Monitor Progress of our general and specific duties under the Equalities Act through review of reports and action plans.

#### **Board Development**

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- 14. To develop procedures for the induction and ongoing training and development of Board members
- 15. To ensure Board members are able to operate effectively and to develop into the roles of Chair of Committee and Vice Chair as appropriate.
- 16. To ensure effective self-evaluation of the Board and its Standing Committees
- 17. To develop the programme for an annual Board Development day.

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#### **Finance and General Purposes Committee**

#### **Membership**

Chairman (ex officio). Vice Chairman (ex officio). Principal (ex officio). No fewer than **2** other Board of Management members.

#### In attendance

Director of Finance Vice Principal, Human Resources and Communications

Quorum

The quorum shall be 3 members of which at least 2 to be independent Board of Management members.

#### Frequency of Meetings The Committee shall meet no less than four times per year.

#### **Terms of Reference**

- 1 Consideration of the annual estimate of revenue income and expenditure.
- 2 Consideration of the annual estimate of capital income and expenditure.
- 3\* Responsibility to ensure that appropriate control systems are in place:
  - To administer and control all revenue and capital grants received from the Scottish Government and all other sources.
  - b To administer and control the payment of all monies due and the collection of all income due.
  - c To ensure the efficient management of the College Catering Service and Food Court and Halls of Residence.
  - d To administer and control matters relating to the repair, maintenance and upkeep of land, buildings etc.
- 4 Liaison with the Audit Committee in reporting to the Board on the state of the College's finances.
- 5 Consideration and approval of the College's Financial Regulations and Procedures, ensuring their implementation, monitoring and review in relation to all matters financial, including approving organisations in which funds may be invested and setting investment limits

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<del>6</del> —	Generally the formulation of advice to the Board on financial matters and the supervision of the financial affairs of the Board.
7	Strategic oversight of procurement, contract management and ICT service level agreement on behalf of the Board.
<del>8*</del>	Consideration of tenders received for any works the cost of which are in excess of £50,000.
9	The acquisition and/or disposal of heritable property whether by purchase/sale or lease.
<del>10*</del>	Consideration of any proposals to obtain plant equipment furnishings or fittings the cost of which is expected to be more than £50,000.
<del>11</del>	Consideration and assessment of priorities for capital grant for new building work or the major modification of existing buildings. Recommendations to the Board on issues relating to College estates and resources
<del>12</del>	The oversight of the Board's statutory functions and responsibilities as an employer of the staff of the College.
<del>13</del>	Consideration of all matters relating to:
	a The establishment and staffing structure of the College.
	<ul> <li>b The salaries, wages and conditions of service of all staff except the Principal,</li> <li>Executive and Managers as individual contracts with the Board.</li> </ul>
<del>14</del>	Responsibilities for early retirement/early severance policy.
<del>15</del>	Oversight of the disciplinary and grievance policies and procedures of the College.
<del>-16</del>	Consideration of matters relating to staff relations including union recognition and local bargaining agreements.

The functions marked thus \* stand delegated.

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#### **Remuneration Committee – Revised Terms of Reference**

- **Membership**
- <del>Chairman</del>
- Vice Chairman

The Chair of each of the Standing Committees of the Board

The Chair of the Board of Management shall not chair the Remuneration Committee.

#### Quorum

The Quorum shall be 3 members.

**Frequency of Meetings** 

The Committee shall meet no less than once per year.

#### **Terms of Reference**

To consider and make recommendations to the Chair's Committee on the remuneration package of the College Principal and such other senior staff whose remuneration and other terms and conditions are individually agreed with the Board, taking into account.

- 1. That College senior management should be fairly rewarded for their individual performance and contribution to the college's overall performance.
- 2. Where, in terms of senior management remuneration, the College stands in relation to other comparable institutions in the sector.
- The Scottish Government's approach to remuneration in the public sector (suggested amendment);
- 4. The relationship between the remuneration of the senior management and that of other employees of the college.
- 5. The benefits granted to senior management.
- The adequacy of pension arrangements and also the cost implication of pension arrangements, including the pension effect of remuneration proposals.

Authority

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The Remuneration Committee is accountable to the Board of Management and is authorised on its behalf to:

- 1. set and agree key objectives for the Principal annually. This will be carried out by the Chair on behalf of the Committee, and should seek the views of students and staff in setting the performance measures;
- conduct an Annual Review and Appraisal by the 31st July and base the appraisal on the progress achieved against the targets identified in the Strategic Plan. This will be carried out by the Chair on behalf of the Committee and the outcome will be reported to the Remuneration Committee.
- conduct a salary review on the basis of that appraisal using evidence from other sources. This may involve evidence gathered and submitted by staff and students, or other evidence such as benchmarks of remuneration packages at other colleges.
- 4. consider whether any remuneration received by the Principal from third party sources which relate either directly or indirectly to any College activities and which must be declared to the Remuneration Committee, has any bearing on the level of the Principal's salary.
- 5. keep under review specific details of the contract of employment between the Board of Management of Perth College and the Principal.
- 6. The Principal should attend the Remuneration Committee for the consideration of salaries that are based on the Principal's recommendation.
- 7. consider and approve any responsibility payments or nonconsolidated payments recommended by the Principal for senior management.
- 8. consider and agree severance arrangements in respect of senior management post holders and ensure such arrangements are in accordance with SFC Guidance.

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#### BOARD OF DIRECTORS OF AIR SERVICE TRAINING (ENGINEERING) LIMITED

#### Membership

2 Directors from Perth College Board of Management (to be Chair and Vice Chair) Principal and Chief Executive of Perth College Chief Executive of Air Service Training (Engineering) Limited At least 1 external non-executive Director

#### Quorum

The quorum shall be 4 members, at least one of whom to be the Chair or Vice Chair.

#### In attendance

Director of Finance of Perth College Company Secretary Up to 2 co-opted members

#### **Frequency of Meetings**

The Board shall meet no less than four times per year.

#### **Terms of Reference**

- To approve, monitor and review strategy in relation to the generation on new business opportunities.
- To consider and promote proposals for enhancing the efficiency and effectiveness of the company.
- 3 To consider market opportunities and to make decisions on marketing strategies and plans to address these opportunities.
- 4 To monitor and review the actual performance against the budget and forecasts in respect of progress towards achieving the business plan.
- 5 To recommend the annual accounts for approval to the Board of Management of Perth College, through the Finance and General Purposes Committee of Perth College.
- 6 To monitor and review the annual budget and three yearly business plan for Air Service Training (Engineering) Limited and to recommend its approval for inclusion in the Strategic Plan to the Board of Management of Perth College.
- 7 To receive and consider reports regarding the award of commercially focussed contracts.
- 8 To consider the physical development of Air Service Training Engineering) Limited and make recommendations to the Board of Management of Perth College.
- 91 To consider all commercial and any other business aspects relating to Air Service Training (Engineering) Limited,

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#### Scheme of Delegation

#### **1. INTRODUCTION**

This scheme of delegation specifies the functions which are delegated by the Board of Management (the "Board") in terms of Section 12(4) of the Further and Higher Education (Scotland) Act 1992 ("the Act").

In accordance with paragraph C.8 of the Code of Good Governance for Scotland's Colleges (the Code) delegations of responsibilities from, and matters reserved to, the Board and its Committees is clarified through this Scheme of Delegation including the functions delegated by the Board to the Chair, Committees, the Principal and Clerk to the Board of Management. The Scheme of Delegation must be approved by the Board of Management,

All delegations must be exercised in accordance with regard to any lawful direction and/or guidance subsequently issued by the Scottish Funding Council. All delegations should also ensure compliance with any relevant provisions of the Scottish Public Finance Manual and follow procedures consistent with the guidance contained in the Delegated Authority section of the Scottish Public Finance Manual.

Except for delegation of operational functions by the Principal and Chief Executive as specified in Section 8, a delegate may not further delegate without formal authorisation. Formatted: Font color: Red

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#### 2. COMPLIANCE

The Board may from time to time amend, replace and / or supplement the terms of this Scheme of Delegation. Nothing in this Scheme of Delegation shall require the Board to delegate the performance of any of its functions and the Board may at any time and from time to time carry out any function that has been delegated in accordance with this Scheme of Delegation or withdraw, amend and/or replace any delegation made by the Board pursuant hereto.

#### 3. REVIEW

The Scheme of Delegation will be reviewed at least every three years, or earlier should it be considered necessary by the Board of Management, or to bring the Scheme of Delegation into line with new Memoranda or guidance. The Scheme of Delegation shall be revised at least every three years. This shall not preclude a review being conducted before such time, should it be considered necessary by the Board of Management, or to bring the Scheme of Delegation into line with changes in legislation, regulation, or official direction or guidance.

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#### 4. AUTHORITY RESERVED TO THE BOARD OF MANAGEMENT

Whilst initial discussion or consideration may take place by Committees or individuals, the Board reserves its authority with regard to the undernoted matters:

4.1 determination of the mission, vision and key objectives of the Board of Management and the College;

4.2 final approval of the College's Strategic Plan in the context of the Regional Strategic Plan set by the Regional Strategic Board and the Regional Outcome Agreement;

<u>4.3 final approval of the annual College budgets for revenue and capital expenditure, and financial forecasts;</u>

<u>4.4 approval of the Annual Report & Financial Statements, and the Annual Audit Report;</u>

4.5 approval of the Strategic Risk Register;

4.6 approval of the Annual Health & Safety Report;

4.7 acquisition and disposal of heritable property, subject to the approval of the Scottish Funding Council within the terms of the Scottish Public Finance Manual;

4.8 in accordance with the Ministerial Guidance on College Sector Board Appointments, the appointment of assigned College Board members is the responsibility of the Regional Strategic Body, although recommendations may be made by the assigned College Board either directly, or via a delegated Nominations/Appointments Committee;

4.9 the appointment of Board Members to Board Committees, the appointment of Board Committee Chairs, and the co-option of additional members to Board Committees;

4.10 recommending to the Regional Strategic Body the removal of Board members from office prior to the termination of their period of appointment;

4.11 appointment and removal of the Principal & Chief Executive;

4.12 appointment and removal of the Clerk to the Board of Management;

4.13 approval of the Students' Association constitution and the regulations governing the election of HISA Perth student office bearers;

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4.14 recognition of Trades Unions, Professional Associations and other Staff Associations within the College for the purposes of both formal consultation and negotiation;

4.15 the establishment and winding-up of any subsidiary company of the College, and the College's membership of any company;

4.16 the establishment of any Arm's Length Foundation to support the charitable aims of the College and the donation of resource to any such organisation;

4.17 financial expenditure in excess of the delegated limits as set out in the College's Financial Regulations

4.18 delegation of functions of the Board of Management including remits of Board Committees; the making, amending and revocation of Standing Orders of the Board; and this Scheme of Delegation.

#### 4. 5. DELEGATION TO THE CHAIR OF THE BOARD OF MANAGEMENT

The Chair must abide by the terms and conditions of their appointment in leading the Board and ensuring its effectiveness, and in exercising delegated authority. The Chair of the Board of Management is authorised:

45.1 to take such measures as may be required in emergencies, after consultation with the chair of the relevant Committee and with the Principal, subject to reporting to the appropriate Committee or to the board as soon as possible thereafter on any items for which approval of the <u>C</u>eommittee or the Board would normally be necessary.

4<u>5</u>.2 to exercise judgement in the event of a need for an urgent decision during the period between Board meetings such that: either an emergency Beoard meeting is called in the case of material decisions; or to make the required decision, subject to homologation at the next Board meeting

45.3 to authorise expense claims on behalf of the Principal where such claims arise out of expenditure incurred in the performance of the Principal's normal duties, ensuring in doing so that such authorisations comply with the current Financial Regulations or any other policies adopted by the Board from time to time; and

**4.55.4** to sign the College's Annual Accounts and Financial Statements prior to its submission to the SFC and after it has been approved by the Board.: **4.65.5** to undertake an annual review of the performance of the Principal including the setting of key performance targets or indictors as required.: Formatted: Strikethrough

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4.75.6 to undertake an annual review of the performance of the Clerk to the Board including the setting of performance targets or indictors as required:-

5.7 to ensure each Board member participates in an annual development review process;

**4.85.8** to consider the role of the Board in circumstances where the performance of the Principal falls short of expectations but subject to professional advice being sought<sub>i</sub>.

4.95.9 to represent the Board as and when required-.

#### 65. DELEGATION TO COMMITTEES OF THE BOARD OF MANAGEMENT

In accordance with paragraph 13 of schedule 2 of the 1992 Act, the Board may establish Committees for any purpose and any such Committee may appoint subcommittees.

In accordance with paragraph C.8 of the Code, the minimum Committees required are Audit Committee, Remuneration Committee, Finance Committee and Nominations/Appointments Committee.

65.1 Each Committee of the Board is delegated all functions relative to:

(a) the respective terms of reference of those Committees as detailed in the respective tTerms of Rreference so listed as agreed and amended from time to time by the Board;

(b) any Minutes of the Board making a special delegation to a Committee

(c) the review of matters of policy related to the work of that Committee.

<u>65.2</u> Each Committee may exercise and perform on behalf of and in the name of the Board all of the authority, powers and duties of the Board in relation to the functions so delegated.

<u>65.3</u> The Chair of each Committee is authorised to act on behalf of the Board between cycles so far as such acts relate to matters within the remit of the Committee of which he or she is Chair.

6.4 The minutes of each Committee meeting will be submitted to the Board for information at the next appropriate meeting. In addition, the Committee Chair shall give an update to the Board on key issues where requested to do so.

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**76. DELEGATION TO THE PRINCIPAL** 

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7.1 The Principal & Chief Executive of the College, as Accountable Officer of the College, shall be responsible for the operational management of the College subject to policy and strategic direction by the Board of Management. The Principal may in turn delegate tasks as appropriate to other members of staff while retaining responsibility to the Board of Management for the exercise of these functions.

6.1 The Principal, as Chief Executive of the College, is responsible for the operational management of the College subject to strategic direction of the Board.

**76**.2 The Principal is authorised and empowered:

(a) subject to the express reservations to the Board, to manage the College and to direct its operations and facilitate the management of the College within the framework determined by the College Strategic and Operational Plans, the approved budget and any other policies determined from time to time by the Board;

(b) to take such measures as may be required in emergencies subject to advising the Chair of the Board, where possible, and subsequently reporting to the appropriate Committee or to the Board as soon as possible thereafter any items for which approval of the Committee or Board would normally be necessary; and

(c) consistent with this Scheme of Delegation, to delegate such powers, responsibilities and authority to such members of staff of the Board as the Principal may from time to time determine.

#### General

6.4<u>7.3</u> to consult and negotiate with representatives of recognised **t**rades <u>U</u>unions and <u>pP</u>rofessional <u>aA</u>ssociations on behalf of the Board;

7.4 to take such measures as may be required in emergencies subject to advising the Chair where possible and homologation at the appropriate Committee or to the Board as soon as possible thereafter on any items for which approval of the Committee or the Board would normally be necessary;

<u>76.5</u> to provide financial or other assistance to the Students' <u>UnionAssociation</u> of the College within the terms of any scheme of establishment or policy of the Board;

<u>76.6</u> to apply to the appropriate authority for any necessary statutory consents;

<u>76</u>.7 where it is competent and in the interests of the College to do so, to lodge with the appropriate authority, objections to the grant of any permission, licence, warrant etc;

6-7.8 to accept gifts of money, other property and services on behalf of the College and (in accordance with the College's policy on the receipt of gifts) and determine

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their application; or set up a trust to hold or administer them for the purpose for which they have been established;

#### Finance, contracts and procurement

6.9 The College must obtain, through the Regional Strategic Body, SFC's prior written approval before entering into any undertaking to incur any expenditure that falls out with the specific dologated financial limits set out in Appendix A of the Financial Memorandum between the Regional Strategic Body and the College.

<u>7.96.10</u> Subject to reporting the same to the Board as soon as is reasonably practicable, to:

(a) enter into and negotiate contracts and other binding arrangements for the supply of goods and services (whether bought, leased, hired or otherwise acquired) to the College on behalf of the Board all in accordance with the College's Contract Procurement Procedures;

(b) incur individual items of capital expenditure up to an amount of £150,000; with a maximum amount as detailed in the College's Financial Regulations;

(c) sign, for and on behalf of the Board, European Social Fund and other Public Authority Support Certificates; and

(d) to make arrangements with insurance companies concerning the settlement of claims up to a value of £50,000; as detailed in the College's Financial Regulations;

7.10 to take personal responsibility for ensuring the proper and effective operation of financial, planning and management controls, and for giving effect to the Board's policies for securing the efficient, economical and effective management of all the College's income, assets and expenditure;

7.11 act at all times in compliance with the Financial Memorandum with UHI as the Regional Strategic body, conditions of grant, Scottish Public Finance Manual, and to follow the College's Financial Regulations taking particular account of the delegated financial limits;

7.12 to report to UHI as the Regional Strategic Body, to the Scottish Funding Council should the Board adopt a policy or commission an action which is incompatible with the terms of the Financial Memorandum or the Scottish Public Finance Manual, or which would infringe on the requirements of propriety or regularity, and report to the Board in writing on such matters being considered, and advise the Board that, should it wish to choose to continue with the policy or action, then as accounting officer he or she must report the Board's intentions to UHI as the Regional Strategic Body and to the Scottish Funding Council in writing;

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7.13 to enter into and negotiate contracts and other binding arrangements for the supply of goods and services (whether bought, leased, hired or otherwise acquired) to the College or to authorise another to enter into such contracts up to a value of the relevant EU Procurement threshold or Board approved budgetary limits and all in accordance with the College's financial regulations;

7.14 to dispose of assets up to the value of the delegated financial limit as set out in the Finance Regulations and in line with the requirements of the Scottish Public Finance Manual:

7.156.11 to terminate contracts or to authorise the termination of contracts except in cases where the contracts have been specifically approved either by the Board or a Committee;

<u>7.166.12</u> to administer any educational endowment which transferred to and vested in the Board in terms of section 19(1) of the Further and Higher Education (Scotland) 1992 Act;

<u>7.17</u>6.13 on receipt of valid claims, to pay to members of the Board or co-opted members of the Board's Committees (whether or not they are also members of the Board) such allowances and expenses as the Board may have determined after taking cognisance of guidance issued by the SFC;

<u>7.18</u>6.14 to vire monies from expenditure heads within agreed budgets taking account of and complying with the College's financial regulations;

<u>7.196.15</u> to sign and date the report of the Board of the Annual Accounts in terms of the accounts direction given by the Scottish Ministers under paragraph 18 of Schedule 2 to the Further and Higher Education (Scotland) 1992 Act;

<u>7.20</u>6.9 The College must obtain, through the Regional Strategic Body, SFC's prior written approval before entering into any undertaking to incur any expenditure that falls out with the specific delegated financial limits set out in Appendix A of the Financial Memorandum between the Regional Strategic Body and the College.

#### **Employees and Board Members**

<u>7.216.16</u> to review the performance of members of the College Senior Management Team against predetermined targets as determined from time to time by the Performance Review and Remuneration Committee; and

<u>7.226.17</u> to authorise Protection of Vulnerable Groups Scheme (PVG) checks from Disclosure Scotland on all Board Members appointed by the College.

#### 78. DELEGATION TO THE CLERK TO THE BOARD

78.1 The Clerk to the Board is authorised to:

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(a) to keep proper records and Minutes of the Board's and Committees' proceedingsand to prepare agendas, draft minutes and agreed minutes of all meetings of the Board or any Committee; administer, circulate, retain and publish as appropriate the records of all Board and Committee business;

(b) to make available for inspection at the principal office of the College copies of the Agenda, draft Minutes and agreed Minutes of any meeting of the Board or any Committee and also of any report or other document (other to those marked confidential) considered by such a meeting;

87.2 to maintain the Register of Interests of the members of the Board and members of the senior management team;

<u>8</u>7.3 to arrange for any elections to the Board from teaching and non-teaching staff at the College\_administer staff elections to the Board, and act as Returning Officer for such elections;

8.4 to act as Standards Officer in accordance with Advice on the Role of a Standards Officer (issued by the Standards Commission for Scotland);

8.5 In accordance with the Code of Good Governance, report any unresolved concerns about the governance of the College to the SFC and/or Regional Strategic Body;

<u>8.6 to undertake appropriate actions to ensure that the Board is sufficiently informed of its obligations as defined in legislation, the Scottish Public Finance Manual, the Code of Good Governance, and the Standing Orders.</u>

<u>8</u>7.<u>7</u>4 to receive resignations from the Board and to inform the Board and the Regional Strategic body of vacancies and impending vacancies; and

<u>87.85</u> to act on behalf of the Board, when authorised, as their representative and to enter into correspondence in any matter as directed by the Board.

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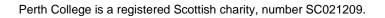
# Governance Manual For review by Board 10 June 2016

## Responsibility for Review: Clerk to the Board of Management

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Governance Manual

## Perth College UHI

## **Board of Management**

## **Constitution and Proceedings**

## **Board of Management Constitution and Proceedings**

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## 1. STATUS

The College is a further education incorporation created under the provisions of the Further and Higher Education (Scotland) Act 1992 as amended by the Post-16 Education (Scotland) Act 2013 ('the Acts'). Its structure of governance is laid down in the instrument and articles of government, which may only be amended by application to the First Minister of Scotland.

The legal status of the Board is defined in Schedule 2 of the Acts. Specifically, the Board shall not -

- (a) Be regarded as the servants or agents of the Crown
- (b) Have any status, immunity or privilege of the Crown

and their property shall not be regarded as property of, or held on behalf, of the Crown.

The College is an exempt charity by virtue of the Charities Act 1993.

In the event of any conflict between the Constitution and Proceedings and Statutory Regulations, the Provisions of Statute will prevail.

## 2. DEFINITIONS

In these Constitution and Proceedings, the meanings assigned to words and expressions are:

"The Act" means the Further and Higher Education (Scotland) Act 1992 as amended by the Post-16 Education (Scotland) Act 2013;

"College" means Perth College;

"Board" means the Board of Management of Perth College;

'Regional Strategic Body' means the University of the Highlands and Islands in its role as a Regional Strategic Body;

"SFC" means the Scottish Funding Council;

## 3. MEMBERSHIP

- 3.1 Membership of the Board shall consist of no fewer than thirteen (13) and no more than eighteen (18) members.
- 3.2 The Board is to be comprised of:
  - (a) a person appointed by the Regional Strategic Body to chair meetings of the Board (the 'chairing member');
  - (b) the Principal of the College;
  - (c) a person appointed by being elected by the teaching staff of the College;
  - (d) a person appointed by being elected by the non- teaching staff of the College;
  - (e) two persons appointed by being nominated by the students' association of the College from among the matriculated students of the College;
  - (f) other members appointed by the Regional Strategic Body.
- 3.3 Elections to appoint teaching and non-teaching staff members of the Board will be conducted in accordance with rules made by the Board. Before making, varying or replacing rules about elections for teaching or non-teaching staff, the Board must consult the representatives of any trade union which the Board recognises as being, or which otherwise appears to the Board to be, representative of the staff of the College.
- 3.4 Less than half of members of the Board may receive remuneration from the Board. Members receiving remuneration include any salaried members of staff on the Board, including the Principal; and any sabbatical student members (whether remunerated directly by the College or by the College's Students' Association).

## 4. QUALIFICATIONS AND TENURE OF OFFICE

- 4.1 Subject to this paragraph and paragraphs below, a member of the Board, other than the Principal, will hold and vacate office on such terms as the Regional Strategic Body may determine; and is, on ceasing to hold office, eligible for re-appointment.
- 4.2 A member of the Board appointed by being elected by the teaching or nonteaching staff of the College is to hold office for 4 years;

- 4.3 A member appointed by being nominated by the Students' Association is to hold office from 1 July following appointment until 30 June of the subsequent calendar year;
- 4.4 Each other member of the Board (including the chairing member) is to hold office for such period (not exceeding 4 years) as is specified in the member's terms of appointment as determined by the Regional Strategic Body. The Regional Strategic Body may extend the period of appointment for a single further period not exceeding 4 years. Thereafter, a member is eligible to be appointed again (which can again be extended for a single period of up to 4 years) and is then eligible to be appointed again, without limit to the number of appointments.
- 4.5 The Principal of the College is to vacate office on ceasing to be the Principal.
- 4.6 A member of the Board appointed by being elected by the teaching or nonteaching staff of the College is to vacate office if they cease to be a member of the teaching or, as the case may be, non-teaching staff of the College before the member's period of appointment ends.
- 4.7 A member of the Board appointed by being nominated by the Students' Association is to vacate office if they cease to be a student of the College before the member's period of appointment ends.

## 5. RESIGNATION

A member of the Board, other than the Principal of the College, may resign their office at any time by giving notice in writing to the Regional Strategic Body via the chairing member.

## 6. EXCLUSION FROM MEMBERSHIP

- 6.1 A person is not eligible for appointment as a member of the Board if that person:
  - (a) has, within 5 years of the date on which the appointment would take effect, been sentenced to imprisonment for a period of not less than 3 months, whether suspended or not, without the option of a fine;
  - (b) is an undischarged bankrupt; or
  - (c) has been removed from office under section 24 of the Act (see Section 8 Mismanagement by Board).
- 6.2 Undischarged bankrupt" means a person—

- (a) whose estate has been sequestrated and who has not been discharged (or against whom a bankruptcy order has been made and is still in force);
- (b) who has granted a trust deed for, or made a composition or arrangement with, creditors (and has not been discharged in respect of it);
- (c) who is the subject of a bankruptcy restrictions order, or an interim bankruptcy restrictions order, made under the Bankruptcy (Scotland) Act 1985 or the Insolvency Act 1986;
- (d) who is the subject of a bankruptcy restrictions undertaking entered into under either of those Acts;
- (e) who has been adjudged bankrupt (and has not been discharged); or
- (f) who is subject to any other kind of order, arrangement or undertaking analogous to those described in paragraphs (a) to (d), anywhere in the world.

## 7 REMOVAL FROM OFFICE

- 7.1 The Regional Strategic Body must remove a member of the Board from office (by giving notice in writing to the member) if -
  - (a) the member -

(i) is sentenced (following conviction) to imprisonment for a period of not less than 3 months, whether suspended or not, without the option of a fine or

(ii) has become an undischarged bankrupt under the terms outlined in 6 (2) above or

- (b) the Regional Strategic Body is satisfied that the member—
  - (i) has been absent from meetings of the Board for a period longer than 6 consecutive months without the permission of the Board; or
  - (ii) is otherwise unable or unfit to discharge the member's functions.
- 7.2 The Scottish Ministers must, by giving notice in writing to the member, remove a member from office if the member is removed from office under section 24 of the Act.
- 7.3 Sections 6 and 7 do not apply in relation to the Principal of the College.

#### 8 MISMANAGEMENT BY BOARD

- 8.1 This section applies where-
  - (a) it appears to the Scottish Ministers that the Board of Management of any College of Further Education—
    - (i) have committed or are committing a serious breach of any term or condition of a grant made to them by the Regional Strategic Body under section 12 or 12B of the Further and Higher Education (Scotland) Act 2005 ("the 2005 Act");
    - (ii) have committed or are committing repeated breaches of such terms or conditions;
    - (iii) have failed, or are failing, to provide or secure the provision of education of such standard as the Scottish Ministers consider appropriate;
    - (iv) have failed, or are failing, to discharge any of their duties properly; or
    - (v) have mismanaged, or are mismanaging, their financial or other affairs; or
    - (vi) SFC has informed the Scottish Ministers that a College of Further Education whose Board of Management is established in pursuance of this Part is not, or is no longer, a body for which there are suitable provisions, procedures and arrangements of the type described by or under section 7(2) of the 2005 Act.
- 8.2 Where this section applies, the Scottish Ministers may by order remove any or all of the members of the Board (other than the Principal of the College).
- 8.3 Before making such an order, the Scottish Ministers must consult with the Regional Strategic Body.
- 8.4 The Scottish Ministers must give notice of exercise of the power of removal to the Board and the member.
- 8.5 Where a member removed under this section was a member appointed by the Regional Strategic Body, the Scottish Ministers may appoint another person in place of the removed member. The appointment has effect as made under the provision under which the removed member was appointed.

## 9 PROCEEDINGS

- 9.1 The Board may regulate its own proceedings and those of any committee appointed by them.
- 9.2 The validity of any proceedings of the Board or of any committee appointed by them shall not be affected by any defect in the appointment of any member of the Board or any member of such committee or by a vacancy amongst the members of the Board.
- 9.3 The Board shall make available for inspection at the College at all reasonable times by anyone who wishes to inspect them, copies of the following documents:
  - (a) the agenda for any meeting of the Board or of any committee of theirs;
  - (b) the draft minutes of any such meeting as approved by the chair of the meeting;
  - (c) the minutes of such meeting as agreed by the Board or, as the case may be, committee; and
  - (d) any report or other document considered by such meeting.
- 9.4 The above shall not apply to any document or part thereof which relates to—
  - (a) an employee, former employee or applicant for employment in relation to the College;
  - (b) a person who is, has been, or is likely to be a student of the College;
  - (c) any information the disclosure of which is prohibited by anything in any enactment (including this Act and an enactment contained in a subordinate instrument) or rule of law;
  - (d) anything which it appears to the Board should be treated as confidential because of its commercial nature or otherwise.

## 10. COMMITTEES

- 10.1 The Board may establish committees for any purpose and any such committee may appoint sub-committees.
- 10.2 Such committees may include persons who are not members of the Board; but such persons shall not be entitled to vote at meetings of a committee.

- 10.3 The Principal of the College shall be entitled to attend and speak at any meeting of a committee of the Board; but he shall be entitled to vote at such meeting only if he is a member of such committee.
- 10.4 The Board may pay to the members of such committees (whether or not they are also members of the Board) such allowances and expenses as they may determine; and any allowances and expenses to be paid by virtue of this sub-paragraph shall be calculated by reference to such criteria as the Scottish Ministers may determine.
- 10.5 Any reference in this document to a committee of the Board shall include a reference to any sub-committee appointed by such committee.

## 11 STAFF

- 11.1 Subject to paragraph 11 (2) below, the Board may appoint employees as they see fit. The Board may appoint on such terms and conditions as they may determine such employees who are out with the scope of the Scottish further education national recognition and procedures agreement as they think fit. The terms and conditions of staff within the scope of the Scottish further education national recognition and procedures agreement will have their terms and conditions of employment determined collectively through national bargaining and by agreement between Scottish further education colleges and the recognised trades unions.
- 11.2 The appointment of the Principal of the College and the terms and conditions of the appointment, have effect only if approved by the Regional Strategic Body.
- 11.3 The Board may, in the case of such of its employees or former employees as they may, subject to sub-paragraph (4) below, determine—
  - (a) pay such pensions, allowances or gratuities to or in respect of those employees;
  - (b) make such payments towards provision of such pensions, allowances or gratuities; or
  - (c) make such arrangements for the provision and maintenance of such schemes (whether contributory or not) for the payment of such pensions, allowances or gratuities, as they think fit.
- 11.4 Sub-paragraph (3) above shall not apply to any person who becomes an employee of the Board under or by virtue of any provision of this Act (unless that person, by notice given in writing, informs the Board that he wishes it so to apply.

11.5 The reference in sub-paragraph (3) above to pensions, allowances or gratuities in respect of employees of the Board includes a reference to pensions, allowances or gratuities by way of compensation to or in respect of any such employee who suffers loss of office or employment.

## **12 ACCOUNTS**

- 12.1 It shall be the duty of the Board to keep proper accounts and other records.
- 12.2 The accounts shall be prepared in respect of each financial year in such manner as the Scottish Ministers may direct and the accounts shall be submitted to the Scottish Ministers by such time as they may direct. The Scottish Ministers shall send the accounts to the Auditor General for Scotland for auditing.
- 12.3 The financial year of the Board shall be from 1st August to 31st July.
- 12.4 The Scottish Ministers may by order provide that the Board shall have a different financial year, and an order under this subparagraph may make such consequential provision as appears to the Scottish Ministers to be necessary or expedient.
- 12.5 The accounts of the Board shall be open to the inspection of the Comptroller and Auditor General, but—
  - (a) the power conferred by this paragraph; and
  - (b) the powers under sections 6 and 8 of the National Audit Act 1983 (examinations into the economy, efficiency and effectiveness of certain bodies and access to documents and information) conferred on the Comptroller and Auditor General by virtue of section 6(3)(c) of that Act,

shall be exercisable only in, or in relation to accounts or other documents which relate to, any financial year in which expenditure is incurred by the Board in respect of which grants, loans or other payments are made to them under this Part of this Act.

## **13 EXECUTION OF DOCUMENTS**

- 13.1 For any purpose other than those mentioned in sub-paragraph (2) below, a document is validly executed by the Board if it is signed on their behalf by a member of the Board or by their secretary (or any person performing the duties of secretary to the Board) or by any person authorised to sign the document on their behalf.
- 13.2 For the purposes of any enactment or rule of law relating to the authentication of documents, a document is validly executed by the Board if it is subscribed

on their behalf by being executed in accordance with the provisions of subparagraph (1) above.

13.3 A document which bears to have been executed by the Board in accordance with sub-paragraph (2) above shall, in relation to such execution, be a probative document if the subscription of the document bears to have been attested by at least one witness.

## **14 PROVISION OF SERVICES**

The Local Authorities (Goods and Services) Act 1970 (supply of goods and services by local authorities to certain public bodies) shall have effect within the meaning of that Act.

## **15 CODE OF CONDUCT**

The Code of Conduct for Members of Devolved Public Bodies as revised in February 2014, provides for a Code of Conduct for the Board of Management. Members of the Board of Management have a responsibility to ensure that they are familiar with, and that their actions comply with, the provisions of this Code of Conduct and also with the Code of Good Governance for Scotland's Colleges (Dec. 2014).

# Perth College UHI

## **Board of Management**

## **Standing Orders**

## **Board of Management Standing Orders**

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## 1. GENERAL

## Introduction

These Standing Orders for the Governance of the proceedings of the Board of Management ("the Board") of Perth College ("the College") have been drawn up in accordance with Paragraph 11(1) of Schedule 2 to the Further and Higher Education (Scotland) Act, 1992 ("the Act").

## **Purpose & Application**

The purpose of these Standing Orders is to ensure the orderly and effective conduct of the meetings of the Board of Management and of Committees of the Board. They shall apply to all meetings of the Board and its Committees and shall, subject to a resolution by the Board for their suspension, remain in force unless and until they are varied or revoked as hereinafter provided.

## Interpretation of Standing Orders

Any dispute as to the interpretation of the Standing Orders shall be determined by the Chair of the meeting whose decision shall be final.

## **Implementation of Standing Orders**

It shall be the duty of the Chair and the Clerk to the Board to ensure that the business of the Board is conducted in accordance with these Standing Orders.

## Variation, Revocation or Suspension of Standing Orders

Any of these Standing Orders, other than such Standing Orders as the Board may think should not be capable of being suspended, may be varied, revoked or suspended at any meeting of the Board after a motion to that effect has been passed by a majority of two thirds of the members present and voting. However it shall not be competent to vary, revoke or suspend any Standing Orders or portions thereof which express statutory provisions. A motion to suspend must state the period, for which the suspension is being moved, shall be for a specified item of business only and shall lapse when that item is concluded.

## **Review of Standing Orders**

These Standing Orders shall be kept under review to ensure that they continue to support effectively the workings of the Board. Standing Orders shall be formally reviewed at least once every three years.

## 2. DUTY AND POWERS

The Duty and Powers of the Board of Management shall be in accordance with section 12 of the Further and Higher Education (Scotland) Act 1992, as amended by the Post-16 Education (Scotland) Act 2013 in so far as it has a duty to manage and conduct the business of the College.

## 3. STATEMENT OF PRIMARY RESPONSIBILITIES

3.1 The primary responsibilities (this list being neither exhaustive or exclusive) of the Board are -

- a) The Board shall ensure that the College provides the best possible education and learning environment for its students.
- b) The Board shall approve the mission and strategic vision of the College, including institutional and longer-term academic and business plans, and key performance indicators. It will ensure that the strategic vision is aligned with the strategic plan of the Regional Strategic Body; that the College meets the interests of all stakeholders, including students, local and national communities and funding bodies; and the College meets its legal and ethical obligations to its staff.
- c) The Board shall be responsible for the setting, demonstrating and upholding the good name and the values and ethos of the College.
- d) The Board shall promote further and higher education locally, nationally and internationally and shall promote and support the work of University of the Highlands and Islands and the Regional Strategic Committee
- 3.2 Accountability and Responsibility of the Board:
  - a) The Board is accountable to students and its stakeholders, which includes the public, employers and its local community for the provision of high quality education that enhances social and economic well-being.
  - b) As an assigned college, the Board is accountable to the University of the Highlands and Islands as the Regional Strategic Body.
  - c) The Board is collectively responsible and accountable for all Board decisions. As such, it will ensure that its decision-making process is transparent, properly informed, rigorous and timely and in the best interests of the College as a whole, rather than selectively or in the interests of a particular group, section or individual.
  - d) The Board shall ensure that the College operates ethically, responsibly and with respect for the environment and for society at large.
  - e) The Board is responsible for ensuring so far as is reasonably practicable the safety, health and welfare of all its employees, students and others that may be affected by College activities in respect of United Kingdom Health and Safety law and best safety practice and procedure.
  - f) The Board will provide leadership in equality and diversity, ensuring that it fulfils its statutory obligations and duties in respect of equalities legislation.
  - g) The Board is responsible for ensuring that appropriate arrangements are in place for the conduct of student elections, and nominations and elections of staff members to the Board.
  - h) The Board shall ensure that sound risk management and internal control systems are in place and maintained. These processes must support the

identification, reporting, evaluation and management of significant risks on an ongoing basis, and enable the effectiveness of risk management, business continuity planning and internal control systems to be reviewed.

- i) The Board shall ensure that it maintains a balance of appropriate knowledge, skills and experience amongst its membership to enable it to meet its primary responsibilities.
- j) The Board shall ensure that a process is in place for evaluating the Board, the Board Chair and Committee Chairs.
- k) The Board may establish a specialist group where it considers that particular work, such as reviews of policy and procedure, will need to be undertaken outside of the formal schedule of meetings.
- I) Specific and detailed responsibilities of the Board are detailed in Section 3, Scheme of Delegation.

## 4. CHAIR AND VICE CHAIR

## Appointment of Chair and Vice Chair

- 4.1 The Regional Strategic Body shall appoint a Chair under the terms laid out in College Sector Board Appointments: Ministerial Guidance.
- 4.2 The Board shall appoint a Vice Chair from among those members of the Board who have been appointed by the Regional Strategic Body to the Board under the terms laid out in the College Sector Board Appointments: Ministerial Guidance.
- 4.3 The appointment of Vice Chair shall be set down on the Agenda for the meeting at which the appointment is to be considered.
- 4.4 In the event of their being two or more duly nominated and seconded candidates for the post of Vice Chair, the matter will be determined by confidential ballot, which will be supervised by the Clerk to the Board of Management.
- 4.5 The following provisions shall apply to any Vice Chair appointed under Paragraph 4.2:
  - (a) they shall hold office for four years and the appointment may be extended for one further period subject to the limits on membership of the Board and approval by the UHI Court;
  - (b) the Vice Chair may be removed from office by resolution of two-thirds of the members of the Board present and voting and subject to prior notice on the Agenda for the meeting. Such periods of time must be subject to the overriding limits on Board membership as determined by the College Sector Board Appointments: Ministerial Guidance.

(c) The Vice Chair will fulfil the role of Senior Independent Board Member

## Chair to Preside at Meetings

- 4.6 The Chair shall preside at meetings of the Board and the Vice Chair shall preside in the absence of the Chair;
- 4.7 In the absence of both the Chair and the Vice Chair, the Board shall appoint a Chair from among the lay members to preside at any meeting.

## **Responsibilities and Duties of Chair**

- 4.8 The Chair is responsible for:
  - (a) leadership of the Board and ensuring its effectiveness in all aspects of its role;
  - (b) setting the Board's agenda and ensuring that adequate time is available for full discussion of all agenda items, particularly strategic issues;
  - (c) promoting a culture of openness and debate by encouraging the effective contribution of all Board members and fostering constructive relations between Board members.
- 4.9 The Chair shall, inter alia:-
  - (a) preserve order and ensure that every member of the Board shall have a fair hearing;
  - (b) decide all matters of order, competency and relevancy;
  - (c) decide between two or more members of the Board indicating a wish to speak by calling on the member who has first caught his or her eye;
  - (d) see that due and sufficient opportunity is given to members of the Board who wish to speak to express their views on the subject under discussion;
  - (e) ensure that the sense of the meeting is properly ascertained with regard to any matter which is properly before the meeting;
  - (f) ensure that decisions are clearly documented within the minutes.

#### **Responsibilities of Principal and Chief Executive**

4.10 The Principal is the operational interface between the Board and the College and, as a Board member, shares responsibility with the Chair and the Board for enabling good governance through supporting effective communication and interaction between the Board and the College staff and students.

## **Responsibilities of individual Board members**

- 4.11 The Independent members of the College Board of Management are appointed by the Regional Strategic Body. An independent member is responsible for:
  - (a) Contributing to the business of Board meetings, following established and agreed procedures:
  - (b) Contributing to one or more of the Board committees by membership or chairing;
  - (c) Engaging effectively at board meetings and working collaboratively with other members;
  - (d) Observing the *Nine Principles of Public Life* (selflessness, integrity, objectivity, accountability, openness, honesty, leadership, public service and respect) in all Board business.

#### **Responsibilities of Clerk to the Board**

- 4.13 The Clerk to the Board, who will be independent of the College executive, is responsible for providing the Board and Executive team with advice on governance, the role of the Board and Board matters.
- 4.14 The Clerk to the Board shall ensure that the Board receives appropriate, timely and high quality information in a form that allows it to monitor and scrutinise the College's activities and to challenge performance when required.
- 4.15 The Clerk to the Board shall support the Chair, the Board and the Executive in ensuring compliance with all relevant legislative and governance requirements.
- 4.16 The appointment and removal of the Clerk to the Board shall be a decision of the Board.

## 5. ORDINARY MEETINGS OF THE BOARD

#### Calendar of Meetings

- 5.1 The Board shall hold as many Board and Committee meetings as may be necessary for the performance of its functions, and at such times, places and frequency as the Board determines annually in a calendar of Board and Committee meetings, including a schedule of required business.
- 5.2 The proposed calendar of ordinary meetings of the Board and the Board's Standing Committees shall be submitted for approval by the Board.
- 5.3 Extraordinary meetings of the Board and Committees may be called on the instructions of the Chair or by agreement by a majority of the members entitled to vote at such a meeting.

- 5.4 Board and Committee meetings shall be called giving no less than five working days' notice. Where extraordinary meetings are called and, exceptionally, due to the urgency of the business five working days' notice cannot be given, notice will be given as soon as is reasonably practicable and giving no less than 2 working days' notice.
- 5.5 The Chair of the Board may, in special circumstances (of which the Chair shall be the sole judge) alter the date or time of any ordinary meeting of the Board. At least five working days' notice shall be given of any alteration to the agreed date of an ordinary meeting of the Board from that detailed in the approved calendar of meetings.

## **Quorum & Voting Rights**

- 5.6 At all meetings of the Board one half of the membership entitled to vote shall constitute a quorum.
- 5.7 If at any time appointed for a meeting or, if before the business of any meeting has been completed, the number of members present is the prescribed quorum, the Chair must adjourn the meeting to such day or time as the members determine and the meeting may be re-convened on less than one week's notice.
- 5.8 If the Chair of the Board or Committee is not present at any meeting, the Vice Chair (where this office exists) shall assume that role. Where a Vice Chair is not available, members shall elect from amongst themselves a Board member who is entitled to vote as the Chair of that meeting.
- 5.9 No failure or defect in the appointment, election or co-option of any member of the Board and no vacancy in the office of member shall prevent the Board from acting in the execution of its functions, nor shall any act or proceeding of the Board or any Committee appointed by it be invalidated or be illegal by reason of or in consequence of any such vacancy or of any such defect in the appointment or co-option of any one or more members of the Board, excepting only in a case where the Board is not quorate.
- 5.10 A question on which a vote is required shall be determined by a majority of votes of the members of the Board present and voting on the question and, in the case of an equal division of votes, the Chair of the meeting shall have a second or casting vote.
- 5.11 Only matters identified on the agenda as requiring a decision shall, if consensus is not possible, be decided by vote.
- 5.12 In exceptional circumstances, such as for matters requiring urgent attention, and when the approval of the Board or Committee is required, decisions can be taken, with the prior agreement of the Chair, by written procedure. That is, decisions can be taken without calling a physical meeting of the Board or Committee. In such circumstances for a decision to be deemed to be taken:

- the Clerk to the Board shall email all Board Members outlining the decision required, together with relevant briefing information
- a quorum, as defined in 5.6 of these Standing Orders, must have replied to the email
- the Clerk to the Board Secretary shall ensure that a deadline for response is clearly specified and Board members shall endeavour to respond within that timeframe
- any decisions taken in this way shall be homologated at the next relevant meeting of the Board or Committee.
- 5.13 Where a proposal is amended, voting will take place on the amendment against the proposal, or the series of amendments, in the order of the last amendment first, until a single amendment is put against the proposal. Thereafter, voting will take place upon the proposal amended. All members have a single vote.
- 5.14 No-one shall be entitled to enter his or her dissent from any decision, except at the meeting at which it has been passed; but any member not present may at the next meeting have his or her dissent recorded.

## Agenda of Business

- 5.15 The Clerk to the Board in consultation with the Chair shall prepare the draft agenda. Other members may place an item on the agenda for discussion by submitting this to the Clerk to the Board no later than 10 working days in advance of the meeting (except in the case of an extraordinary meeting where only the urgent business notified at the time the meeting was requested will be placed on the agenda). The Clerk shall ensure that all items placed on the agenda fall within the remit of the Board or Committee. #
- 5.16 All matters for consideration by the Board or Committee shall be clearly identified within each agenda item's Cover Sheet as to whether it is for approval, decision, discussion, noting or for information purposes.
- 5.17 The Agenda of Business must be approved by the Chair before being circulated to members of the Board. Once approved by the Chair the Notice calling the meeting and detailing the Agenda, together with all documentation relating thereto, shall be sent by the Clerk to the Board with notification of the date, time and place of the meeting to all Members not less than one week before the date of the meeting. Notices of meetings shall be sent electronically.
- 5.18 Only in exceptional circumstances should the Board or a Committee of the Board be requested to consider a matter which was not included on the Agenda of Business at the time the Agenda was circulated. Such a request must be raised at the commencement of the meeting and should only be granted where the Chair is of the opinion that, by reason of special circumstances which shall be specified in the Minutes, an additional matter should be considered at the meeting as a matter of urgency and the meeting agrees to accept the request.

#### **Reserved Matters**

- 5.19 Only in exceptional circumstances should matters other than those listed below be treated as reserved items.
  - (a) matters relating to a Board member, former Board members, an employee, former employee or applicant for employment in relation to the College;

(b) matters relating to a person who is, has been or is likely to be a student of the College;

- (c) any information the disclosure of which is prohibited by any enactment;
- (d) items of a confidential commercial nature.
- 5.20 All matters considered under reserved matters of business must be treated as confidential and must not be disclosed to third parties unless and until such disclosure is authorised by the Board.
- 5.21 Any instances of unauthorised disclosure of reserved matters should be reported to the Chair via the Clerk to the Board or the Principal.

#### **Adjourned Meetings**

- 5.22 Where a meeting is adjourned, temporarily, for a brief period for convenience, emergency or other cause, no special procedures are required when the meeting resumes. The remaining business shall be dealt with as if the meeting had been continuous.
- 5.23 Where a meeting is adjourned to continue on another day, the Clerk to the Board shall endeavour to advise those members of the meeting who were not present when the meeting was adjourned of the date, time and place of the adjourned meeting. At the adjourned meeting only the unfinished business for which the original meeting was called shall be transacted
- 5.24 At the discretion of the Chair, when there are no matters of urgency to be resolved, the unfinished business may be referred to the next ordinary meeting of the Board or Committee, when it shall take precedence over other business except for the confirmation of the Minutes of the previous meeting.

## **Conduct of Meetings**

5.25 Meetings shall commence promptly at the times shown on the Agenda. The Chair shall, at the outset of each meeting, agree the estimated finishing time with members as well as any proposed re-ordering of the business of the meeting.

- 5.26 Members should, wherever possible in advance of the meeting, seek any factual information they may need or notify any apparent errors in papers prior to the meeting itself.
- 5.27 When speaking a Member shall be directed to the question and discussion in hand or to a point of order or a point of explanation. Although no fixed time limits are set either to the length of speeches or the number of times a member may speak, members should bear in mind the need for brevity and relevance and gauge the number and duration of their interventions accordingly.
- 5.28 The Chair is responsible for ensuring that all Members have adequate opportunity to be heard, but may draw the attention of any Member to the need for economy in time or indicate to the meeting the view that the discussion should be brought to a close. The Chair may also call to order any Member whom he/she considers has strayed from the matter under consideration.
- 5.29 The Chair shall ensure that the Clerk to the Board has appropriate information to accurately record the decisions made.

## **Motions and Amendments**

- 5.30 The Chair may require any motion, or motion of amendment to be put in writing by or on behalf of the mover, and delivered to the Clerk to the Board immediately on its being seconded.
- 5.31 After a motion or motion of amendment has been made and seconded, it shall not be withdrawn or altered in substance without the leave of the mover or seconder.
- 5.32 All amendments must be relevant to the motion on which they are moved, the Chair to decide as to relevancy.
- 5.33 The Chair shall have power, with the consent of the meeting, to conjoin amendments which are not consistent with each other.
- 5.34 The mover of the motion shall have the right to reply to the debate on his/her motion and any proposed amendments thereof. After the reply is concluded, the debate on that question shall be as closed.
- 5.35 When any amendment is made upon a motion the vote shall be taken between the motion and the amendment, the latter being put from the Chair first. When there is more than one amendment, the amendment last proposed shall be put against that immediately preceding, and then the one which is carried shall be put against the next preceding, and so on until there remains only one amendment. A vote shall then be taken between the amendment and the original motion. After the vote the motion or amendment shall, if demanded by any member, be put as a substantive resolution without further discussion. The foregoing order of voting may, however, be altered by the Chair with the consent of the meeting.

5.36 On a motion being made 'that the question now under discussion be put', such motion shall be at once. If the majority of the votes cast are in favour of the motion, the mover of the original motion may be allowed to sum up before a vote is taken on the question under consideration. If the motion for closure is not carried, the debate may be resumed.

## Voting

- 5.37 Unless otherwise specified in these Standing Orders or agreed, voting shall be carried out by a show of hands and resolutions shall be carried by a simple majority of those present and voting. In the case of equality of votes at any meeting of the Board, the Chair of such meeting shall have a casting vote in addition to a deliberative vote other than where the subject of the vote relates to an election or appointment to office in which case then, in the event of an equality of votes, the matter shall be put to the vote again and if there remains an equality the matter shall be determined by drawing lots.
- 5.38 In the case of a vote regarding an election or appointment to office, the voting shall proceed by way of a confidential ballot unless the two-thirds of the members present and voting determine otherwise.

#### Dissents

5.39 No dissents against any decision of the Board shall be recorded unless explicitly requested at the meeting at which the question is determined. Only a Board Member who has recorded a vote or an abstention on a matter under discussion shall be entitled to have their dissent recorded.

#### Minutes

- 5.40 Minutes of meetings shall contain a clear statement of decisions taken.
- 5.41 Draft minutes shall be prepared for the Chair's agreement as soon as reasonably practical after each meeting and shall be labelled "draft".
- 5.42 At each ordinary meeting of the Board, the Minutes of the previous ordinary meeting and, (when practicable) of any intervening special meeting, having been previously circulated, shall be approved for accuracy. No discussion shall be allowed at the meeting on these Minutes, except as to matters arising from the minutes to which they relate.
- 5.43 The Minutes of any special meeting of the Board, if not submitted for approval at the next ordinary meeting of the Board, shall be submitted for approval at the earliest subsequent ordinary meeting thereafter at which it is practicable so to do and shall be disposed of as provided in Standing Orders.

- 5.44 Circumstances may arise which necessitate a Minute of a Board or Committee decision to be approved at the meeting at which the decision is taken; in such circumstances the Minute Secretary shall prepare a draft Minute for immediate consideration and approval by the Board or Committee.
- 5.45 The Clerk to the Board shall be responsible for ensuring that decisions taken by the Board and its Committees are formally notified to the responsible officer (and copied to the Principal) within five working days of the meeting so that he or she can, in turn, arrange for their implementation.

## 6. RESCINDING OF DECISIONS

- 6.1 A decision of the Board shall continue to be operative and binding until varied or rescinded but no motion to vary or rescind any decision passed within the preceding six months shall be competent except with the consent of two thirds of the Members present and voting.
- 6.2 However, it shall be competent to deal with the subject matter afresh where the Chair of the meeting is satisfied that a material change of circumstances has occurred (which shall be detailed in the Minutes of the meeting) which requires the matter to be considered anew.

## 8. COMMITTEES

## Establishment of Committees

- 8.1 The Board shall establish Audit, Finance & General Purposes, Engagement Nominations, Chair's, and Remuneration Committees together with such other standing and ad hoc Committees as it considers necessary and appoint Board members and/or co-opted members and/or others to them taking account of their qualifications, interests and experience.
- 8.2 The Academic Affairs Committee will report to the Board and its membership will include two Board members.
- 8.3 Air Service Training (Engineering) Limited is a wholly owned subsidiary of Perth College, accountable to the Board of Management through the Chair of the Board of Directors.

## **Appointment of Committee Chair**

8.4 The Board shall appoint a Chair to each Committee it establishes.

## Chair to Preside

8.5 The Chair of a Committee shall preside at meetings of the Committee. If the Chair is not present at the time when the meeting is due to commence, the Vice Chair will preside. In the absence of both the Chair and Vice Chair, members of the Committee present shall elect a Chair of the meeting from among the- members

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present who shall preside over the meeting in the absence of the Chair and Vice Chair.

#### Members ex officio

8.6 The Chair and Principal, in addition to membership of Committees allocated to them as ordinary members of the Board, shall *ex officio* be members of all other Committees of the Board, other than the Audit Committee, (and, in the case of the Principal, the Remuneration & Nominations Committees), but such additional membership shall not confer the right to vote. The Principal may be invited to attend meetings of the Remuneration Committee when matters relating to the salary, terms and conditions of Senior Management Team are being considered.

#### Minutes of Meetings of Committees

8.7 The Minutes of Committees shall be submitted for confirmation as being correct records of the proceedings to the next appropriate meeting of the Committee and shall be submitted to the Board (a) for the information of the Board in respect of matters delegated to the Committee and (b) for the decision of the Board in respect of matters referred.

## Terms of Reference and Powers of Committees

8.8 The Terms of Reference and Powers of Committees shall be as set out in the appendices to these Standing Orders.

#### Application of Standing Orders to Committees and Sub-Committees

8.9 The Board's Standing Orders shall apply with any appropriate amendments to meetings of Committees and sub-Committees of the Board as they apply to meetings of the Board.

## 9. APPOINTMENT AND REAPPOINTMENT OF BOARD MEMBERS

#### Initial appointment of members

- 9.1 The Nominations Committee shall take guidance from the Board of Management where vacancies exist and liaise with the UHI Nominations Committee for Incorporated College Boards. It will approve the recruitment and selection methods and schedule and ensure compliance with the terms laid out in College Sector Board Appointments: Ministerial Guidance.
- 9.2 The shortlisting and interview process for independent members will be chaired by the Chair of the Board of Management, whilst a nominee of the Regional

Strategic Body will chair panel meetings for the appointment of the Chair of the Perth College Board of Management.

- 9.3 Any recommendation of appointment by the Nominations Committee to the Board of Management will be subject to obtaining satisfactory references. Each recommendation shall be ratified by the full Board prior to the person taking their place on the Board of Management.
- 9.4 Appointments to the Board shall be for a period of four years in accordance with legislation, except for the Principal who remains a member as long as he/she is Principal and the Student Member whose term of office expires on 31st July following his/her appointment.

## **Election of Staff Members:**

- 9.5 Two members of staff will be appointed as Board members; one Teaching and one Support. Staff Elections are held for vacancies as they arise, and are conducted as follows:
  - All appropriate staff are informed of a vacancy and are invited to consider suitable nominations.
  - All nominations must be received on the appropriate form and duly seconded.
  - Where more than a single nomination is received, an election will be held, giving appropriate time for the relevant staff to register their vote.
  - The count will be undertaken in the presence of an independent scrutineer.

## Nomination of Student Members:

9.6 Two student members will be appointed to the Board following the election of a HISA President and Vice Presidents elected by the student membership following the agreed procedures set out in the HISA Perth Constitution.

## **Reappointment of Members**

- 9.7 Three months prior to the end of a member's term of office, the Clerk to the Board shall write and remind them of their end-date, and invite them to indicate their willingness to be considered for re-appointment (subject to the limits on membership of the Board).
- 9.8 When indicating a willingness to be considered for reappointment, the member shall complete a self-appraisal proforma which includes:
  - A clear statement of willingness to be reappointed;

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- Details of posts held;
- Attendance record at Board/Committee meetings;
- Any other relevant information;
- An indication to undertake surgeries or other duties as required;
- An indication to be available for consultation and advice and take an active interest in the College;
- A willingness to remain in sympathy with and generally support the strategy and policies of the Board;
- An indication of their willingness to be considered as a Committee Chair or Vice Chair if the opportunity arises.
- 9.9 The self-appraisal forms will be provided as supporting evidence to enable the Board to consider an extension and if approved, put forward a request for the proposed extension to the Regional Strategic Body.
- 9.10 The members shall withdraw from the meeting during the discussion of their reelection.
- 9.11 In the case of the Chair being considered for re-election to the Board, the Vice Chair or a nominated Convenor shall take the chair and the Chair will withdraw from the meeting.
- 9.12 Requests for an extension of appointment of the Chair will be put forward to the Regional Strategic Body for its consideration and approval.

## **Termination of Membership**

- 9.13 Anyone who has, within 5 years of the date on which the appointment would take effect, been sentenced to imprisonment for a period of not less than 3 months, whether suspended or not, without the option of a fine; is an undischarged bankrupt; or has been removed from office under section 24 of the Act (see Section 8 Mismanagement by Board) is prevented from being appointed to or continuing as a member of the Board of Management.
- 9.14 If it comes to the attention of the Chair or another Board member that a member may be suspected of any of the above categories, the Chair may invite the member to attend a meeting of the Nominations Committee where he/she will be given an opportunity to explain his/her position.
- 9.15 The Nominations Committee, having listened to the explanation, shall prepare a report and recommendation for consideration by the Board of Management. The decision of the Board of Management will be conveyed to the member by the Clerk to the Board of Management.

- 9.16 The member in question shall have fourteen days in which to appeal against the Board's decision.
- 9.17 The appeal will be considered by the Chair; Convener of Audit, Principal, as the chief executive officer, and an independent observer. Should any of these noted be the member under consideration, their place on the appeals panel shall be taken by the Vice Chair.
- 9.18 The decision of the Appeals Panel will be final.

## **10. DISCLOSURE OF INTERESTS**

- 10.1 Members of the Board shall at all times be mindful of the need to observe the highest standards of probity, integrity and accountability in discharging their roles as members of the Board and in doing so shall be bound by whatever statutory rules, national guidelines, the College Development Network's Guide for College Board Members and the Perth College Code of Conduct for Board Members which are in force at the time.
- 10.2 Without prejudice to the foregoing generality however the following shall apply:
  - (a) All members of the Board and Senior Managers of the College are required to complete and sign a Declaration of Interest form on a regular basis. Such interests shall also include those of close family members.
  - (b) All members of the Board and Senior Managers of the College are required to declare to the Clerk to the Board in writing any additional interests that arise throughout the year.
- 10.3 Any member who has a clear and substantial interest in a matter under discussion shall declare that interest, whether or not that interest is already declared in the Register of Interests. Such declaration should make clear the nature of the interest and whether it involves a matter of direct or indirect financial interest to the member. Where such an interest constitutes a direct or indirect interest, the member involved will not be permitted to vote on the matter under consideration and will normally be required to withdraw from the meeting while the matter is being considered and determined.
- 10.4 Where a member has an interest which is not financial but which is relevant to the activities of the College, that interest should also be declared. Where the interest is substantial the member involved shall withdraw from the meeting whilst the matter is being considered and determined.
- 10.5 In all circumstances members should ask themselves whether members of the public, knowing the facts of the situation, would reasonably conclude that the interest involved might influence the approach taken by the Board or Committee. If so, the interest is sufficient for the member to declare that interest.

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10.6 Where no relevant interests are declared at a meeting, this shall be noted and a nil declaration statement minuted.

## **11. RISK MANAGEMENT**

The Board of Management:

- has responsibility for overseeing Risk Management within the College;
- will set the tone and influence the culture of Risk Management within the College;
- approve major decisions affecting the College's risk profile or exposure;
- monitor the management of significant risks to reduce the likelihood of unwelcome surprises or impact;
- satisfy itself that the less significant risks are being actively managed, with appropriate controls in place and working effectively;
- annually review the College's approach to risk management and approve changes or improvements to key elements of its processes and procedures.

## 12. APPENDICES-

#### TERMS OF REFERENCE

Academic Affairs Committee Audit Committee Chairs Committee Engagement Committee Finance and General Purposes Committee Remuneration Committee Search and Nominations Committee AST Board of Directors

## **13. APPENDICES – TERMS OF REFERENCE OF COMMITTEES**

## **Standing Committee Summary**

#### **Academic Affairs Committee**

The Academic Affairs Committee oversees the academic and learner support activities of the College and provides guidance on issues related to the Learner Experience. It sets and monitors the College's curriculum and research strategies and reviews related policies.

#### Audit Committee

The College's Financial Memorandum with its Regional Strategic Body requires an Audit Committee. The Audit Committee ensures effective internal control systems are in place; ensures compliance with corporate governance requirements; reports to the Board on internal financial control prior to signing the financial statement and oversees risk. The Committee is also responsible for appointing the internal auditors and monitoring both internal and external auditors.

#### Chairs Committee

The Chairs' Committee exercises the functions of the Board in any cases of urgency and provides an overview of Board operation.

## Engagement Committee

The Engagement Committee is responsible for Board development and engagement with internal and external stakeholders. It is responsible for ensuring effective Board self evaluation, monitoring organisational development and learner engagement and developing links with external stakeholders.

## Finance and General Purposes Committee

The Finance and General Purposes Committee is responsible for monitoring the College's financial position and financial control systems. It approves all key financial decisions, approves the annual budget, considers the annual accounts and recommends for approval, oversees the system of financial control and delegated authority. It also considers any other matters relevant to the financial duties of the Board including human resource. It safeguards the College's estate, monitors the overall development of estates strategy and recommends on major capital projects to the Board.

#### **Remuneration Committee**

The Remuneration Committee is responsible for consideration of the Principal, Senior Management Team and Clerk to the Board's pay and conditions.

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## Nominations Committee

The Nominations committee makes recommendations on the Board's composition and the procedures for appointment of Board members.

## **AST Board of Directors**

Air Services Training (Engineering) Limited is a wholly owned subsidiary of Perth College, accountable to the Board of Management through the Chair of the Board of Directors.

## ACADEMIC AFFAIRS COMMITTEE

## Membership

Principal – Chair No fewer than 2 Representatives of the Board of Management (one to be Vice-Chair) 2 Academic Staff Representatives (Board Teaching staff representative plus one other nominated teaching staff representative) 2 Student Representatives nominated by HISA Depute Principal (Academic) Vice Principal (Engagement) Associate Principal (Academic) Chair of Scholarship and Research Committee Head of Student Experience Head of Learning and Teaching Enhancement

## By invitation

Student Services Manager Student Records Manager Quality Manager

#### Quorum

The quorum shall be 7 including the Chair or Vice Chair and must include one Board of Management Member

## **Frequency of Meetings**

Normally 3 times per academic session, and as required.

#### Terms of Reference

The Academic Affairs Committee is responsible for the overall quality and academic business of the College in respect of the student experience, teaching, research, and enterprise.

Within this overall remit the Academic Affairs Committee shall have the specific functions and responsibilities listed below:

- To lead the review and development of the academic portfolio in line with the College's Strategic Plan to ensure it remains relevant in terms of Scottish Government policy and industry developments across all sectors of the economy and provide advice to the Board of Management as required.
- To reflect on trends in education to encourage innovation and curriculum development and promote best practice in regard to the pedagogical environment to ensure that the College successfully serves the needs of students and other stakeholders, and is preparing effectively to meet future needs.

- 3. To undertake a high level review of:
  - key aspects of academic performance, including student retention, progression, attainment and achievement;
  - performance on admissions, access and inclusion;
  - arrangements for articulation and partnership;
  - approaches to learning and teaching;
  - the volume and themes of student complaints, and their handling and outcomes.
- 4. To maintain an overview of academic quality assurance and outcomes by reviewing reports from the Quality Assessment Committee and other relevant internal and external sources including feedback and evaluation from student and stakeholder surveys.
- 5. To consider the implications of reports and updates from other relevant College and UHI Committees and, where appropriate, act to ensure the relevance and currency of the academic offer.
- 6. To prioritise and make recommendations in respect of work force planning and continuing professional development for academic staff.
- 7. To review and approve College's policies and strategies that relate directly to the student experience in terms of student induction and support, matters concerning student discipline and appeals.
- 8. To instigate any actions the Committee considers appropriate to maintain and enhance Perth College UHI as a centre of educational excellence.
- 9. To receive reports from the Scholarship and Research and Quality Assessment Committees.

## AUDIT COMMITTEE

#### Membership

No fewer than 3 members of the Board of Management. One place reserved for a Student Member of the Board, as nominated by HISA Perth

- Board members not eligible for appointment are the Chair of the Board, the Principal, the Chair of the Finance and General Purposes Committee, the persons elected by the teaching staff and the non teaching staff of the College and the persons appointed by the Perth College Students' Association.
- No member of the Finance and General Purposes Committee shall also be a member of the Audit Committee.
- The Chair of the Board, the Principal and the Chair of the Finance and General Purposes Committee shall be invited to attend meetings.
- The Committee may sit privately without any non-members present for all or part of a meeting if they so decide.
- The College Executive will attend meetings at the invitation of the Committee Chair and provide information for Agenda items

#### In attendance

Vice Principal (External) Depute Principal (Academic)

#### Quorum

The Quorum shall be 3 members.

#### Frequency of Meetings

The Committee shall meet no less than three times per year.

#### Objectives

The Audit Committee's main responsibilities include advising the Board on whether:

- There are systems in place to ensure that the College's activities are managed in accordance with legislation and regulations governing the sector.
- A system of governance, internal control and risk management has been established and is being maintained, which provides reasonable assurance of effective and efficient operations and produces reliable financial information.
- There are systems in place to ensure the Committee engages with financial reporting issues

## Terms of Reference

## Internal Control

- 1. Reviewing and advising the Board of Management of the internal and the external auditor's assessment of the effectiveness of the college's financial and other internal control systems, including controls specifically to prevent or detect fraud or other irregularities as well as those for securing economy, efficiency and effectiveness; and
- 2. Reviewing and advising the Board of Management on its compliance with corporate governance requirements and good practice guidance including a strategic overview of risk management.
- 3. Strategic oversight of Health and Safety, Freedom of Information and Data Protection on behalf of the Board.

#### **Internal Audit**

- 1. Advising the Board of Management on the selection, appointment or reappointment and remuneration, or removal of the internal audit provider.
- 2. Advising the Board of Management on the terms of reference for the internal audit service.
- 3. Reviewing the scope, efficiency and effectiveness of the work of internal audit, considering the adequacy of the resourcing of internal audit and advising the Board of Management on these matters.
- 4. Advising the Board of Management of the Audit Committee's approval of the basis for and the results of the internal audit needs assessment and the strategic and operational planning processes.
- 5. Approving the criteria for grading recommendations in assignment reports as proposed by the internal auditors.
- 6. Reviewing the internal auditor's monitoring of management action on the implementation of agreed recommendations reported in internal audit assignment reports and internal audit annual reports.
- 7. Considering salient issues arising from internal audit assignment reports, progress reports, annual reports and management's response thereto and informing the Board of Management thereof.
- 8. Informing the Board of Management of the Audit Committee's approval of the internal auditor's annual report.
- 9. Ensuring establishment of appropriate performance measures and indicators to monitor the effectiveness of the internal audit service.

- 10. Securing and monitoring appropriate liaison and co-ordination between internal and external audit.
- 11. Ensuring good communication between the Committee and the internal auditors.
- 12. Responding appropriately to notification of fraud or other improprieties received from the internal auditors or other persons.
- 13. Reviewing the Risk Management Register.

## **External Audit**

The appointment of external auditors to the College is directed by Audit Scotland.

- 1. Considering the college's annual financial statements and the external auditor's report prior to submission to the Board of Management by the Finance Committee. Care should be taken, however, to avoid undertaking work that properly belongs to the Finance and General Purposes Committee. If within its terms of reference, the Committee should consider the external audit opinion, the Statement of Members' Responsibilities and any relevant issue raised in the external auditor's management letter.
- 2. Reviewing the external auditor's annual Management Letter and monitoring management action on the implementation of the agreed recommendations contained therein.
- 3. Advising the Board of Management of salient issues arising from the external auditor's management letter and any other external audit reports, and of management's response thereto.
- 4. Reviewing the statement of corporate governance.
- 5. Establishing appropriate performance measures and indicators to monitor the effectiveness of the external audit provision.
- 6. Reviewing the external audit strategy and plan.
- 7. Holding discussions with external auditors and ensuring their attendance at Audit Committee and Board of Management meetings as required.
- 8. Considering the objectives and scope of any non-statutory audit work undertaken or to be undertaken, by the external auditor's firm and advising the Board of Management of any potential conflict of interest.
- 9. Securing appropriate liaison and co-ordination between external and internal audit.

#### Value for Money

- 1. Establishing and overseeing a review process for evaluating the effectiveness of the college's arrangements for securing the economical, efficient and effective management of the college's resources and the promotion of best practice and protocols, and reporting to the Board of Management thereon.
- 2. Advising the Board of Management on potential topics for inclusion in a programme of value for money reviews and providing a view on the party most appropriate to undertake individual assignments considering the required expertise and experience.
- 3. Advising the Board of Management of action that it may wish to consider in the light of national value for money studies in the further education sector.

#### Advice to the Board of Management

- 1. Reviewing the college's compliance with the Code of Audit Practice and advising the Board of Management on this.
- 2. Producing an annual report for the Board of Management.
- 3. Advising the Board of Management of significant, relevant reports from the Scottish Funding Council and National Audit Office and successor bodies and, where appropriate, management's response thereto.
- 4. Reviewing reported cases of impropriety to establish whether they have been appropriately handled.

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## CHAIRS' COMMITTEE

#### Membership

The Chair of the Board of Management. The Vice Chair of the Board of Management. The Chair of each of the Standing Committees of the Board. The Principal (ex officio).

If a Standing Committee Chair is not able to attend a meeting of the Chairs' Committee, the Standing Committee Vice Chair or a Standing Committee member are to be invited to deputise for the Committee Chair.

#### Quorum

The Quorum shall be 3 members.

## **Frequency of Meetings**

The Committee shall meet not less than 4 times per year.

#### Terms of Reference

#### The Chairs' Committee shall:

- 1. exercise the functions of the Board in any cases of urgency of which the Chair of the Board with the Vice Chair or the Chair of a Standing Committee shall be the judge and where it is not practicable to convene a meeting of the full Board. The Chair of the Board shall seek to consult with no less than 2 other members of the Chairs' Committee on any matters requiring Chairs' action.
- 2. At the specific request of the Board consider matters of special interest which are not within the remit of another Standing Committee.
- 3. Maintain an overview of the work of the Board and Committees, planning and co-ordinating activity as required to ensure the primary responsibilities and functions of the Board are discharged through the Board of Management and established Standing Committee structure.
- 4. To consider strategic matters and future issues including horizon scanning external developments in order to advise the Board on future proofing the strategic plan
- 5. To review annually the membership and terms of reference of the Board's Standing Committees and the overall effectiveness of the Board's Committee Structure and to recommend to the Board any amendments or additions considered appropriate.

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## **ENGAGEMENT COMMITTEE**

#### Membership

Chair of Academic Affairs Committee (ex officio) No fewer than 3 other Board of Management members, to include one staff member. 2 student members nominated by HISA Perth

#### In attendance

Depute Principal (Academic) Vice Principal (External) Head of Human Resources and Organisation Development

#### Quorum

The quorum shall be 3 members

#### Frequency of Meetings

The Committee shall meet no less than three times per year.

#### Terms of Reference

This Committee is responsible for four main aspects of College business: Student Experience and Engagement, External Stakeholder Engagement, Human Resources and Staff Engagement and Board of Management development.

#### **Student Experience and Engagement**

- 1. To ensure the Board is working proactively to ensure effective Board level engagement with the student experience.
- 2. To ensure the Board engages proactively and work collaboratively with HISA having oversight of key HISA developments and governance arrangements.
- 3. To receive regular reports from Management and Students on progress with student engagement in the operation of the College.

## **External Stakeholder Engagement**

- 4. To provide direction on strategic external engagement priorities for the College.
- 5. To contribute to the College awareness of its market position in Perth and Kinross through dialogue with the Board of Management members' own external, government and private and third sector contacts.
- 6. To review the College's external environment and interpretation of relevant information with the purpose of providing leadership on the currency of strategic direction
- 7. To work with and influence a range of key external stakeholders (e.g., the Perth and Kinross Young Work Force Group, the Perth and Kinross Community

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Planning Partnership, Perth City Development Trust, the Outcome Delivery Group).

8. To represent the College with peers across the UHI Academic Partners.

#### Human Resources and Staff Engagement

- 9. To oversee the development and auditing of organisational engagement strategies including monitoring staff survey outcomes.
- 10. To monitor progress of our general and specific duties under the Equalities Act through review of reports and action plans.
- 11. To ensure the Board is taking an active and planned approach in its responsibility to staff.
- 12. To receive reports from the Equality, Diversity and Inclusion Team (EDIT) Committee.

#### **Board of Management Development**

- 13. To develop procedures for the induction and ongoing training and development of Board members
- 14. To ensure Board Members are able to operate effectively and to develop into the roles of Chair of Committee and Vice Chair as appropriate.
- 15. To ensure effective self evaluation of the Board and its Standing Committees
- 16. To develop an annual programme for Board Development activities.

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## FINANCE AND GENERAL PURPOSES COMMITTEE

#### Membership

Chair (ex officio). Vice Chair (ex officio). Principal (ex officio). No fewer than **2** other Board of Management members. 1 Student Member as nominated by HISA Perth.

#### In attendance

Depute Principal (Academic) Vice Principal (External) Head of Human Resources and Organisational Development

#### Quorum

The quorum shall be 4 members of which at least 2 to be independent Board of Management members.

#### **Frequency of Meetings**

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

#### **Terms of Reference**

- 1 Consideration of the annual estimate of revenue income and expenditure.
- 2 Consideration of the annual estimate of capital income and expenditure.
- 3<sup>\*</sup> Responsibility to ensure that appropriate control systems are in place:
  - a To administer and control all revenue and capital grants received from the Scottish Government and all other sources.
  - b To administer and control the payment of all monies due and the collection of all income due.
  - c To ensure the efficient management of the College Catering Service and Food Court and Halls of Residence.
  - d To administer and control matters relating to the repair, maintenance and upkeep of land, buildings etc.
- 4 Liaison with the Audit Committee in reporting to the Board on the state of the College's finances.
- 5 Consideration and approval of the College's Financial Regulations and Procedures, ensuring their implementation, monitoring and review in relation to all matters financial, including approving organisations in which funds may be invested and setting investment limits.

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- 6 Generally the formulation of advice to the Board on financial matters and the supervision of the financial affairs of the Board.
- 7 Strategic oversight of procurement, contract management and ICT service level agreement on behalf of the Board.
- 8\* Consideration of tenders received for any works the cost of which are in excess of £50,000.
- 9 The acquisition and/or disposal of heritable property whether by purchase/sale or lease.
- 10\* Consideration of any proposals to obtain plant equipment furnishings or fittings the cost of which is expected to be more than £50,000.
- 11 Consideration and assessment of priorities for capital grant for new building work or the major modification of existing buildings. Recommendations to the Board on issues relating to College estates and resources
- 12 The oversight of the Board's statutory functions and responsibilities as an employer of the staff of the College.
- 13 Consideration of all matters relating to:
  - a The establishment and staffing structure of the College.
  - b The salaries, wages and conditions of service of all staff except the Principal, Executive and Managers as individual contracts with the Board.
- 14 Responsibilities for early retirement/early severance policy.
- 15 Oversight of the disciplinary and grievance policies and procedures of the College.
- 16 Consideration of matters relating to staff relations including union recognition and local bargaining agreements.

## **REMUNERATION COMMITTEE**

#### Membership

Board Chair Board Vice Chair The Chair of each of the Standing Committees of the Board (excepting Academic Affairs Committee)

The Chair of the Board of Management shall not chair the Remuneration Committee.

#### Quorum

The Quorum shall be 3 members.

#### **Frequency of Meetings**

The Committee shall meet no less than once per year.

#### Terms of Reference

To consider and make recommendations to the Chair's Committee on the remuneration package of the College Principal and such other senior staff whose remuneration and other terms and conditions are individually agreed with the Board, taking into account:

- 1. That College senior management should be fairly rewarded for their individual performance and contribution to the college's overall performance.
- 2. Where, in terms of senior management remuneration, the College stands in relation to other comparably sized institutions in the sector;
- 3. The Scottish Government's guidance for remuneration in the public sector;
- 4. The relationship between the remuneration of the senior management and that of other employees of the college and the Scottish Government's public sector pay guidance;
- 5. The benefits granted to senior management;
- 6. The adequacy of pension arrangements and also the cost implication of pension arrangements, including the pension effect of remuneration proposals.

#### Authority

The Remuneration Committee is accountable to the Board of Management and is authorised on its behalf to:

1. Set and agree key objectives for the Principal annually. These objectives will take into account the priorities of the Strategic Plan and any important emerging priorities. Objective setting will be carried out by the Chair on behalf

of the Committee, and should seek the views of students and staff in setting the performance measures;

- 2. Conduct an Annual Review and Appraisal no later than 30 September and base the appraisal on the progress achieved against targets and the agreed key objectives identified in the Strategic Plan. This will be carried out by the Chair on behalf of the Committee and the outcome will be reported to the Remuneration Committee;
- 3. Satisfy itself that the Principal's remuneration is fair and consider any grounds for review. This may involve evidence gathered and submitted by staff and students, or other evidence such as benchmarks of remuneration packages at other colleges;
- 4. Consider whether any remuneration received by the Principal from third party sources which relate either directly or indirectly to any College activities and which must be declared to the Remuneration Committee, has any bearing on the level of the Principal's salary.
- 5. Keep under review specific details of the contract of employment between the Board of Management of Perth College and the Principal;
- 6. The Principal should attend the Remuneration Committee for the consideration of salaries that are based on the Principal's recommendation;
- 7. Consider and approve any responsibility payments or nonconsolidated payments recommended by the Principal for senior management;
- Consider and agree severance arrangements in respect of senior management post holders and ensure such arrangements are in accordance with SFC Guidance;

#### Perth College

#### BOARD OF DIRECTORS OF AIR SERVICE TRAINING (ENGINEERING) LTD

#### Terms of Reference

#### Membership

3 Directors from Perth College Board of Management (2 of whom to be Chair and Vice Chair) Principal and Chief Executive of Perth College General Manager of Air Service Training (Engineering) Limited Up to 2 external non-executive Directors.

#### Quorum

The quorum shall be 4 members, at least two of whom to be members of the Board of Management.

#### In Attendance

Vice Principal External Engagement AST Company Secretary AST SMT members by invitation

#### Frequency of Meetings

The Board shall meet no less than four times per year.

#### Terms of Reference

- 1 To approve, monitor and review strategy in relation to the generation of new business opportunities.
- 2 To consider and promote proposals for enhancing the efficiency and effectiveness of the company.
- 3 To consider market opportunities and to make decisions on marketing strategies and plans to address these opportunities.
- 4 To monitor and review the actual performance against the budget and forecasts in respect of progress towards achieving the business plan.
- 5 To recommend the annual accounts for approval to the Board of Management of Perth College, through the Finance and General Purposes Committee.
- 6 To monitor and review the annual budget and three year business plan for Air Service Training (Engineering) Limited and to recommend its approval to the Board of Management of Perth College.
- 7 To receive and consider reports regarding the award of commercially focused contracts.
- 8 To consider the physical development of Air Service Training (Engineering) Ltd and make recommendations to the Board of Management of Perth College.

## Perth College

## Governance Manual

For Review by Board of Management June 2020

9 To consider all commercial and any other business aspects relating to AST

## Scheme of Delegation

### **1. INTRODUCTION**

This scheme of delegation specifies the functions which are delegated by the Board of Management (the "Board") in terms of Section 12(4) of the Further and Higher Education (Scotland) Act 1992 ("the Act").

In accordance with paragraph C.8 of the Code of Good Governance for Scotland's Colleges (the Code) delegations of responsibilities from, and matters reserved to, the Board and its Committees is clarified through this Scheme of Delegation including the functions delegated by the Board to the Chair, Committees, the Principal and Clerk to the Board of Management. The Scheme of Delegation must be approved by the Board of Management.

All delegations must be exercised in accordance with regard to any lawful direction and/or guidance subsequently issued by the Scottish Funding Council. All delegations should also ensure compliance with any relevant provisions of the Scottish Public Finance Manual and follow procedures consistent with the guidance contained in the Delegated Authority section of the Scottish Public Finance Manual.

Except for delegation of operational functions by the Principal and Chief Executive as specified in Section 8, a delegate may not further delegate without formal authorisation.

#### 2. COMPLIANCE

The Board may from time to time amend, replace and / or supplement the terms of this Scheme of Delegation. Nothing in this Scheme of Delegation shall require the Board to delegate the performance of any of its functions and the Board may at any time and from time to time carry out any function that has been delegated in accordance with this Scheme of Delegation or withdraw, amend and/or replace any delegation made by the Board pursuant hereto.

#### 3. REVIEW

The Scheme of Delegation shall be revised at least every three years. This shall not preclude a review being conducted before such time, should it be considered necessary by the Board of Management, or to bring the Scheme of Delegation into line with changes in legislation, regulation, or official direction or guidance.

## 4. AUTHORITY RESERVED TO THE BOARD OF MANAGEMENT

Whilst initial discussion or consideration may take place by Committees or individuals, the Board reserves its authority with regard to the undernoted matters:

4.1 determination of the mission, vision and key objectives of the Board of Management and the College;

4.2 final approval of the College's Strategic Plan in the context of the Regional Strategic Plan set by the Regional Strategic Board and the Regional Outcome Agreement;

4.3 final approval of the annual College budgets for revenue and capital expenditure, and financial forecasts;

4.4 approval of the Annual Report & Financial Statements, and the Annual Audit Report;

4.5 approval of the Strategic Risk Register;

4.6 approval of the Annual Health & Safety Report;

4.7 acquisition and disposal of heritable property, subject to the approval of the Scottish Funding Council within the terms of the Scottish Public Finance Manual;

4.8 in accordance with the Ministerial Guidance on College Sector Board Appointments, the appointment of assigned College Board members is the responsibility of the Regional Strategic Body, although recommendations may be made by the assigned College Board either directly, or via a delegated Nominations/Appointments Committee;

4.9 the appointment of Board Members to Board Committees, the appointment of Board Committee Chairs, and the co-option of additional members to Board Committees;

4.10 recommending to the Regional Strategic Body the removal of Board members from office prior to the termination of their period of appointment;

4.11 appointment and removal of the Principal & Chief Executive;

4.12 appointment and removal of the Clerk to the Board of Management;

4.13 approval of the Students' Association constitution and the regulations governing the election of HISA Perth student office bearers;

4.14 recognition of Trades Unions, Professional Associations and other Staff Associations within the College for the purposes of both formal consultation and negotiation;

4.15 the establishment and winding-up of any subsidiary company of the College, and the College's membership of any company;

4.16 the establishment of any Arm's Length Foundation to support the charitable aims of the College and the donation of resource to any such organisation;

4.17 financial expenditure in excess of the delegated limits as set out in the College's Financial Regulations

4.18 delegation of functions of the Board of Management including remits of Board Committees; the making, amending and revocation of Standing Orders of the Board; and this Scheme of Delegation.

## 5. DELEGATION TO THE CHAIR OF THE BOARD OF MANAGEMENT

The Chair must abide by the terms and conditions of their appointment in leading the Board and ensuring its effectiveness, and in exercising delegated authority. The Chair of the Board of Management is authorised:

5.1 to take such measures as may be required in emergencies, after consultation with the chair of the relevant Committee and with the Principal, subject to reporting to the appropriate Committee or to the board as soon as possible thereafter on any items for which approval of the Committee or the Board would normally be necessary;

5.2 to exercise judgement in the event of a need for an urgent decision during the period between Board meetings such that: either an emergency Board meeting is called in the case of material decisions; or to make the required decision, subject to homologation at the next Board meeting

5.3 to authorise expense claims on behalf of the Principal where such claims arise out of expenditure incurred in the performance of the Principal's normal duties, ensuring in doing so that such authorisations comply with the current Financial Regulations or any other policies adopted by the Board from time to time;

5.4 to sign the College's Annual Accounts and Financial Statements prior to its submission to the SFC and after it has been approved by the Board;

5.5 to undertake an annual review of the performance of the Principal including the setting of key performance targets or indictors as required;

5.6 to undertake an annual review of the performance of the Clerk to the Board including the setting of performance targets or indictors as required;

5.7 to ensure each Board member participates in an annual development review process;

5.8 to consider the role of the Board in circumstances where the performance of the Principal falls short of expectations but subject to professional advice being sought;

5.9 to represent the Board as and when required.

## 6. DELEGATION TO COMMITTEES OF THE BOARD OF MANAGEMENT

In accordance with paragraph 13 of schedule 2 of the 1992 Act, the Board may establish Committees for any purpose and any such Committee may appoint sub-committees.

In accordance with paragraph C.8 of the Code, the minimum Committees required are Audit Committee, Remuneration Committee, Finance Committee and Nominations/Appointments Committee.

6.1 Each Committee of the Board is delegated all functions relative to:

(a) the respective terms of reference of those Committees as detailed in the respective Terms of Reference as agreed and amended from time to time by the Board;

(b) any Minutes of the Board making a special delegation to a Committee;

(c) the review of matters of policy related to the work of that Committee.

6.2 Each Committee may exercise and perform on behalf of and in the name of the Board all of the authority, powers and duties of the Board in relation to the functions so delegated.

6.3 The Chair of each Committee is authorised to act on behalf of the Board between cycles so far as such acts relate to matters within the remit of the Committee of which he or she is Chair.

6.4 The minutes of each Committee meeting will be submitted to the Board for information at the next appropriate meeting. In addition, the Committee Chair shall give an update to the Board on key issues where requested to do so.

## 7. DELEGATION TO THE PRINCIPAL

7.1 The Principal & Chief Executive of the College, as Accountable Officer of the College, shall be responsible for the operational management of the College subject to policy and strategic direction by the Board of Management. The Principal may in turn delegate tasks as appropriate to other members of staff while retaining responsibility to the Board of Management for the exercise of these functions.

7.1 The Principal, as Chief Executive of the College, is responsible for the operational management of the College subject to strategic direction of the Board.

7.2 The Principal is authorised and empowered:

(a) subject to the express reservations to the Board, to manage the College and to direct its operations and facilitate the management of the College within the framework

determined by the College Strategic and Operational Plans, the approved budget and any other policies determined from time to time by the Board;

(b) to take such measures as may be required in emergencies subject to advising the Chair of the Board, where possible, and subsequently reporting to the appropriate Committee or to the Board as soon as possible thereafter any items for which approval of the Committee or Board would normally be necessary; and

(c) consistent with this Scheme of Delegation, to delegate such powers, responsibilities and authority to such members of staff of the Board as the Principal may from time to time determine.

### General

7.3 to consult and negotiate with representatives of recognised Trades Unions and Professional Associations on behalf of the Board;

7.4 to take such measures as may be required in emergencies subject to advising the Chair where possible and homologation at the appropriate Committee or to the Board as soon as possible thereafter on any items for which approval of the Committee or the Board would normally be necessary;

7.5 to provide financial or other assistance to the Students' Association of the College within the terms of any scheme of establishment or policy of the Board;

7.6 to apply to the appropriate authority for any necessary statutory consents;

7.7 where it is competent and in the interests of the College to do so, to lodge with the appropriate authority, objections to the grant of any permission, licence, warrant etc;

7.8 to accept gifts of money, other property and services on behalf of the College and (in accordance with the College's policy on the receipt of gifts) and determine their application; or set up a trust to hold or administer them for the purpose for which they have been established;

#### Finance, contracts and procurement

7.9 Subject to reporting the same to the Board as soon as is reasonably practicable, to:

(a) enter into and negotiate contracts and other binding arrangements for the supply of goods and services (whether bought, leased, hired or otherwise acquired) to the College on behalf of the Board all in accordance with the College's Contract Procurement Procedures;

(b) incur individual items of capital expenditure with a maximum amount as detailed in the College's Financial Regulations;

(c) sign, for and on behalf of the Board, European Social Fund and other Public Authority Support Certificates; and

(d) to make arrangements with insurance companies concerning the settlement of claims up to a value as detailed in the College's Financial Regulations;

7.10 to take personal responsibility for ensuring the proper and effective operation of financial, planning and management controls, and for giving effect to the Board's policies for securing the efficient, economical and effective management of all the College's income, assets and expenditure;

7.11 act at all times in compliance with the Financial Memorandum with UHI as the Regional Strategic body, conditions of grant, Scottish Public Finance Manual, and to follow the College's Financial Regulations taking particular account of the delegated financial limits;

7.12 to report to UHI as the Regional Strategic Body, to the Scottish Funding Council should the Board adopt a policy or commission an action which is incompatible with the terms of the Financial Memorandum or the Scottish Public Finance Manual, or which would infringe on the requirements of propriety or regularity, and report to the Board in writing on such matters being considered, and advise the Board that, should it wish to choose to continue with the policy or action, then as accounting officer he or she must report the Board's intentions to UHI as the Regional Strategic Body and to the Scottish Funding Council in writing;

7.13 to enter into and negotiate contracts and other binding arrangements for the supply of goods and services (whether bought, leased, hired or otherwise acquired) to the College or to authorise another to enter into such contracts up to a value of the relevant EU Procurement threshold or Board approved budgetary limits and all in accordance with the College's financial regulations;

7.14 to dispose of assets up to the value of the delegated financial limit as set out in the Finance Regulations and in line with the requirements of the Scottish Public Finance Manual;

7.15 to terminate contracts or to authorise the termination of contracts except in cases where the contracts have been specifically approved either by the Board or a Committee;

7.16 to administer any educational endowment which transferred to and vested in the Board in terms of section 19(1) of the Further and Higher Education (Scotland) 1992 Act;

7.17on receipt of valid claims, to pay to members of the Board or co-opted members of the Board's Committees (whether or not they are also members of the Board) such allowances and expenses as the Board may have determined after taking cognisance of guidance issued by the SFC;

7.18 to vire monies from expenditure heads within agreed budgets taking account of and complying with the College's financial regulations;

7.19 to sign and date the report of the Board of the Annual Accounts in terms of the accounts direction given by the Scottish Ministers under paragraph 18 of Schedule 2 to the Further and Higher Education (Scotland) 1992 Act;

7.20 The College must obtain, through the Regional Strategic Body, SFC's prior written approval before entering into any undertaking to incur any expenditure that falls out with the specific delegated financial limits set out in Appendix A of the Financial Memorandum between the Regional Strategic Body and the College.

### **Employees and Board Members**

7.21 to review the performance of members of the College Senior Management Team against predetermined targets as determined from time to time by the Performance Review and Remuneration Committee; and

7.22 to authorise Protection of Vulnerable Groups Scheme (PVG) checks from Disclosure Scotland on all Board Members appointed by the College.

## 8. DELEGATION TO THE CLERK TO THE BOARD

8.1 The Clerk to the Board is authorised to administer, circulate, retain and publish as appropriate the records of all Board and Committee business;

8.2 to maintain the Register of Interests of the members of the Board and members of the senior management team;

8.3 to administer staff elections to the Board, and act as Returning Officer for such elections;

8.4 to act as Standards Officer in accordance with Advice on the Role of a Standards Officer (issued by the Standards Commission for Scotland);

8.5 In accordance with the Code of Good Governance, report any unresolved concerns about the governance of the College to the SFC and/or Regional Strategic Body;

8.6 to undertake appropriate actions to ensure that the Board is sufficiently informed of its obligations as defined in legislation, the Scottish Public Finance Manual, the Code of Good Governance, and the Standing Orders.

8.7 to receive resignations from the Board and to inform the Board and the Regional Strategic body of vacancies and impending vacancies; and

8.8 to act on behalf of the Board, when authorised, as their representative and to enter into correspondence in any matter as directed by the Board.

For Review by Board of Management June 2020

## Perth College UHI

## Code of Conduct for Members of the Board of Management

(Copied in full from the Standards Commission Model Code)

## CODE OF CONDUCT for MEMBERS of the BOARD of MANAGEMENT

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## SECTION 1: INTRODUCTION TO THE CODE OF CONDUCT

1.1 The Scottish public has a high expectation of those who serve on the boards of public bodies and the way in which they should conduct themselves in undertaking their duties. You must meet those expectations by ensuring that your conduct is above reproach.

1.2 The Ethical Standards in Public Life etc. (Scotland) Act 2000, "the Act", provides for Codes of Conduct for local authority councillors and members of relevant public bodies; imposes on councils and relevant public bodies a duty to help their members to comply with the relevant code; and establishes a Standards Commission for Scotland, "The Standards Commission" to oversee the new framework and deal with alleged breaches of the codes.

1.3 The Act requires the Scottish Ministers to lay before Parliament a Code of Conduct for Councillors and a Model Code for Members of Devolved Public Bodies. The Model Code for members was first introduced in 2002 and has now been revised in December 2013 following consultation and the approval of the Scottish Parliament. These revisions will make it consistent with the relevant parts of the Code of Conduct for Councillors, which was revised in 2010 following the approval of the Scottish Parliament.

1.4 As a member of the Board of Management of Perth College UHI "the Board", it is your responsibility to make sure that you are familiar with, and that your actions comply with, the provisions of this Code of Conduct which has now been made by the Board.

#### Appointments to the Boards of Public Bodies

1.5 Public bodies in Scotland are required to deliver effective services to meet the needs of an increasingly diverse population. In addition, the Scottish Government's equality outcome on public appointments is to ensure that all appointments are more diverse than at present. In order to meet both of these aims, a board should ideally be drawn from varied backgrounds with a wide spectrum of characteristics, knowledge and experience. It is crucial to the success of public bodies that they attract the best people for the job and therefore it is essential that a board's appointments process should encourage as many suitable people to apply for positions and be free from unnecessary barriers. You should therefore be aware of the varied roles and functions of the public body on which you serve and of wider diversity and equality issues.

1.6 You should also familiarise yourself with how the public body's policy operates in relation to succession planning, which should ensure the public body have a strategy to make sure they have the staff in place with the skills, knowledge and experience necessary to fulfil their role economically, efficiently and effectively.

#### Guidance on the Code of Conduct

1.7 You must observe the rules of conduct contained in this Code. It is your personal responsibility to comply with these and review regularly, and at least annually, your personal circumstances with this in mind, particularly when your circumstances

## Perth College UHI

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change. You must not at any time advocate or encourage any action contrary to the Code of Conduct.

1.8 The Code has been developed in line with the key principles listed in Section 2 and provides additional information on how the principles should be interpreted and applied in practice. The Standards Commission may also issue guidance. No Code can provide for all circumstances and if you are uncertain about how the rules apply, you should seek advice from the public body. You may also choose to consult your own legal advisers and, on detailed financial and commercial matters, seek advice from other relevant professionals.

1.9 You should familiarise yourself with the Scottish Government publication "On Board – a guide for board members of public bodies in Scotland". This publication will provide you with information to help you in your role as a member of a public body in Scotland and can be viewed on the Scottish Government website.

#### Enforcement

1.10 Part 2 of the Ethical Standards in Public Life etc. (Scotland) Act 2000 sets out the provisions for dealing with alleged breaches of this Code of Conduct and where appropriate the sanctions that will be applied if the Standards Commission finds that there has been a breach of the Code. Those sanctions are outlined in **Annex A**.

## SECTION 2: KEY PRINCIPLES OF THE CODE OF CONDUCT

2.1 The general principles upon which this Code is based should be used for guidance and interpretation only. These general principles are:

#### Duty

You have a duty to uphold the law and act in accordance with the law and the public trust placed in you. You have a duty to act in the interests of the public body of which you are a member and in accordance with the core functions and duties of that body.

#### Selflessness

You have a duty to take decisions solely in terms of public interest. You must not act in order to gain financial or other material benefit for yourself, family or friends.

#### Integrity

You must not place yourself under any financial, or other, obligation to any individual or organisation that might reasonably be thought to influence you in the performance of your duties.

#### Objectivity

You must make decisions solely on merit and in a way that is consistent with the functions of the public body when carrying out public business including making appointments, awarding contracts or recommending individuals for rewards and benefits.

#### Accountability and Stewardship

You are accountable for your decisions and actions to the public. You have a duty to consider issues on their merits, taking account of the views of others and must ensure that the public body uses its resources prudently and in accordance with the law.

#### Openness

You have a duty to be as open as possible about your decisions and actions, giving reasons for your decisions and restricting information only when the wider public interest clearly demands.

#### Honesty

You have a duty to act honestly. You must declare any private interests relating to your public duties and take steps to resolve any conflicts arising in a way that protects the public interest.

#### Leadership

You have a duty to promote and support these principles by leadership and example, and to maintain and strengthen the public's trust and confidence in the integrity of the public body and its members in conducting public business.

#### Respect

You must respect fellow members of your public body and employees of the body and the role they play, treating them with courtesy at all times. Similarly you must respect members of the public when performing duties as a member of your public body.

2.2 You should apply the principles of this Code to your dealings with fellow members of the public body, its employees and other stakeholders. Similarly you should also observe the principles of this Code in dealings with the public when performing duties as a member of the public body.

### **SECTION 3: GENERAL CONDUCT**

3.1 The rules of good conduct in this section must be observed in all situations where you act as a member of the public body.

#### Conduct at Meetings

3.2 You must respect the chair, your colleagues and employees of the public body in meetings. You must comply with rulings from the chair in the conduct of the business of these meetings.

## Relationship with Board Members and Employees of the Public Body (including those employed by contractors providing services)

3.3 You will treat your fellow board members and any staff employed by the body with courtesy and respect. It is expected that fellow board members and employees will show you the same consideration in return. It is good practice for employers to provide examples of what is unacceptable behaviour in their organisation. Public bodies should promote a safe, healthy and fair working environment for all. As a board member you should be familiar with the policies of the public body in relation to bullying and harassment in the workplace and also lead by exemplar behaviour.

#### Remuneration, Allowances and Expenses

3.4 You must comply with any rules of the public body regarding remuneration, allowances and expenses.

#### Gifts and Hospitality

3.5 You must not accept any offer by way of gift or hospitality which could give rise to real or substantive personal gain or a reasonable suspicion of influence on your part to show favour, or disadvantage, to any individual or organisation. You should also consider whether there may be any reasonable perception that any gift received by your spouse or cohabitee or by any company in which you have a controlling interest, or by a partnership of which you are a partner, can or would influence your judgement. The term "gift" includes benefits such as relief from indebtedness, loan concessions or provision of services at a cost below that generally charged to members of the public.

3.6 You must never ask for gifts or hospitality.

3.7 You are personally responsible for all decisions connected with the offer or acceptance of gifts or hospitality offered to you and for avoiding the risk of damage to public confidence in your public body. As a general guide, it is usually appropriate to refuse offers except:

(a) isolated gifts of a trivial character;

(b) normal hospitality associated with your duties and which would reasonably be regarded as appropriate; or

(c) gifts received on behalf of the public body.

3.8 You must not accept any offer of a gift or hospitality from any individual or organisation which stands to gain or benefit from a decision your body may be involved in determining, or who is seeking to do business with your organisation, and which a person might reasonably consider could have a bearing on your judgement. If you are making a visit in your capacity as a member of your public body then, as a general rule, you should ensure that your body pays for the cost of the visit.

3.9 You must not accept repeated hospitality or repeated gifts from the same source.

3.10 Members of devolved public bodies should familiarise themselves with the terms of the Bribery Act 2010 which provides for offences of bribing another person and offences relating to being bribed.

## **Confidentiality Requirements**

3.11 There may be times when you will be required to treat discussions, documents or other information relating to the work of the body in a confidential manner. You will often receive information of a private nature which is not yet public, or which perhaps would not be intended to be public. You must always respect the confidential nature of such information and comply with the requirement to keep such information private.

3.12 It is unacceptable to disclose any information to which you have privileged access, for example derived from a confidential document, either orally or in writing. In the case of other documents and information, you are requested to exercise your judgement as to what should or should not be made available to outside bodies or individuals. In any event, such information should never be used for the purposes of personal or financial gain, or for political purposes or used in such a way as to bring the public body into disrepute.

## **Use of Public Body Facilities**

3.13 Members of public bodies must not misuse facilities, equipment, stationery, telephony, computer, information technology equipment and services, or use them for party political or campaigning activities. Use of such equipment and services etc. must be in accordance with the public body's policy and rules on their usage. Care must also be exercised when using social media networks not to compromise your position as a member of the public body.

## Appointment to Partner Organisations

3.14 You may be appointed, or nominated by your public body, as a member of another body or organisation. If so, you are bound by the rules of conduct of these organisations and should observe the rules of this Code in carrying out the duties of that body.

3.15 Members who become directors of companies as nominees of their public body will assume personal responsibilities under the Companies Acts. It is possible that conflicts of interest can arise for such members between the company and the public body. It is your responsibility to take advice on your responsibilities to the public body and to the company. This will include questions of declarations of interest.

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### **SECTION 4: REGISTRATION OF INTERESTS**

4.1 The following paragraphs set out the kinds of interests, financial and otherwise which you have to register. These are called "Registerable Interests". You must, at all times, ensure that these interests are registered, when you are appointed and whenever your circumstances change in such a way as to require change or an addition to your entry in the body's Register. It is your duty to ensure any changes in circumstances are reported within one month of them changing.

4.2 The Regulations1 as amended describe the detail and timescale for registering interests. It is your personal responsibility to comply with these regulations and you should review regularly and at least once a year your personal circumstances.

**Annex B** contains key definitions and explanatory notes to help you decide what is required when registering your interests under any particular category. The interests which require to be registered are those set out in the following paragraphs and relate to you. It is not necessary to register the interests of your spouse or cohabitee.

1 SSI - The Ethical Standards in Public Life etc. (Scotland) Act 2000 (Register of Interests) Regulations 2003 Number 135, as amended.

### Category One: Remuneration

4.3 You have a Registerable Interest where you receive remuneration by virtue of being:

- employed;
- self-employed;
- the holder of an office;
- a director of an undertaking;
- a partner in a firm; or
- undertaking a trade, profession or vocation or any other work.

4.4 In relation to 4.3 above, the amount of remuneration does not require to be registered and remuneration received as a member does not have to be registered.

4.5 If a position is not remunerated it does not need to be registered under this category. However, unremunerated directorships may need to be registered under category two, "Related Undertakings".

4.6 If you receive any allowances in relation to membership of any organisation, the fact that you receive such an allowance must be registered.

4.7 When registering employment, you must give the name of the employer, the nature of its business, and the nature of the post held in the organisation.

4.8 When registering self-employment, you must provide the name and give details of the nature of the business. When registering an interest in a partnership, you must give the name of the partnership and the nature of its business.

4.9 Where you undertake a trade, profession or vocation, or any other work, the detail to be given is the nature of the work and its regularity. For example, if you write for a

newspaper, you must give the name of the publication, and the frequency of articles for which you are paid.

4.10 When registering a directorship, it is necessary to provide the registered name of the undertaking in which the directorship is held and the nature of its business.

4.11 Registration of a pension is not required as this falls outside the scope of the category.

## Category Two: Related Undertakings

4.12 You must register any directorships held which are themselves not remunerated but where the company (or other undertaking) in question is a subsidiary of, or a parent of, a company (or other undertaking) in which you hold a remunerated directorship.

4.13 You must register the name of the subsidiary or parent company or other undertaking and the nature of its business, and its relationship to the company or other undertaking in which you are a director and from which you receive remuneration.

4.14 The situations to which the above paragraphs apply are as follows:

- you are a director of a board of an undertaking and receive remuneration declared under category one and
- you are a director of a parent or subsidiary undertaking but do not receive remuneration in that capacity.

## **Category Three: Contracts**

4.15 You have a registerable interest where you (or a firm in which you are a partner, or an undertaking in which you are a director or in which you have shares of a value as described in paragraph 4.19 below) have made a contract with the public body of which you are a member:

(i) under which goods or services are to be provided, or works are to be executed; and

(ii) which has not been fully discharged.

4.16 You must register a description of the contract, including its duration, but excluding the consideration.

## **Category Four: Houses, Land and Buildings**

4.17 You have a registerable interest where you own or have any other right or interest in houses, land and buildings, which may be significant to, of relevance to, or bear upon, the work and operation of the body to which you are appointed.

4.18 The test to be applied when considering appropriateness of registration is to ask whether a member of the public acting reasonably might consider any interests in houses, land and buildings could potentially affect your responsibilities to the organisation to which you are appointed and to the public, or could influence your actions, speeches or decision making.

### Category Five: Interest in Shares and Securities

4.19 You have a registerable interest where you have an interest in shares comprised in the share capital of a company or other body which may be significant to, of relevance to, or bear upon, the work and operation of (a) the body to which you are appointed and (b) the **nominal value** of the shares is:

(i) greater than 1% of the issued share capital of the company or other body; or (ii) greater than £25,000.

Where you are required to register the interest, you should provide the registered name of the company in which you hold shares; the amount or value of the shares does not have to be registered.

#### Category Six: Gifts and Hospitality

4.20 You must register the details of any gifts or hospitality received within your current term of office. This record will be available for public inspection. It is not however necessary to record any gifts or hospitality as described in paragraph 3.7 (a) to (c) of this Code.

### Category Seven: Non–Financial Interests

4.21 You may also have a registerable interest if you have non-financial interests which may be significant to, of relevance to, or bear upon, the work and operation of the body to which you are appointed. It is important that relevant interests such as membership or holding office in other public bodies, clubs, societies and organisations such as trades unions and voluntary organisations, are registered and described.

4.22 In the context of non-financial interests, the test to be applied when considering appropriateness of registration is to ask whether a member of the public might reasonably think that any non-financial interest could potentially affect your responsibilities to the organisation to which you are appointed and to the public, or could influence your actions, speeches or decision-making.

## **SECTION 5: DECLARATION OF INTERESTS**

### General

5.1 The key principles of the Code, especially those in relation to integrity, honesty and openness, are given further practical effect by the requirement for you to declare certain interests in proceedings of the public body. Together with the rules on registration of interests, this ensures transparency of your interests which might influence, or be thought to influence, your actions.

5.2 Public bodies inevitably have dealings with a wide variety of organisations and individuals and this Code indicates the circumstances in which a business or personal interest must be declared. Public confidence in the public body and its members depends on it being clearly understood that decisions are taken in the public interest and not for any other reason.

5.3 In considering whether to make a declaration in any proceedings, you must consider not only whether you will be influenced but whether anybody else would think that you might be influenced by the interest. You must, however, always comply with the **objective test** ("the objective test") which is whether a member of the public, with knowledge of the relevant facts, would reasonably regard the interest as so significant that it is likely to prejudice your discussion or decision making in your role as a member of a public body.

5.4 If you feel that, in the context of the matter being considered, your involvement is neither capable of being viewed as more significant than that of an ordinary member of the public, nor likely to be perceived by the public as wrong, you may continue to attend the meeting and participate in both discussion and voting. The relevant interest must however be declared. It is your responsibility to judge whether an interest is sufficiently relevant to particular proceedings to require a declaration and you are advised to err on the side of caution. If a board member is unsure as to whether a conflict of interest exits, they should seek advice from the board chair.

5.5 As a member of a public body you might serve on other bodies. In relation to service on the boards and management committees of limited liability companies, public bodies, societies and other organisations, you must decide, in the particular circumstances surrounding any matter, whether to declare an interest. Only if you believe that, in the particular circumstances, the nature of the interest is so remote or without significance, should it not be declared. You must always remember the public interest points towards transparency and, in particular, a possible divergence of interest between your public body and another body. Keep particularly in mind the advice in paragraph 3.15 of this Code about your legal responsibilities to any limited company of which you are a director.

#### Interests which Require Declaration

5.6 Interests which require to be declared if known to you may be financial or nonfinancial. They may or may not cover interests which are registerable under the terms of this Code. Most of the interests to be declared will be your personal interests but, on occasion, you will have to consider whether the interests of other persons require

you to make a declaration. The paragraphs which follow deal with (a) your financial interests (b) your non-financial interests and (c) the interests, financial and non-financial, of other persons.

5.7 You will also have other private and personal interests and may serve, or be associated with, bodies, societies and organisations as a result of your private and personal interests and not because of your role as a member of a public body. In the context of any particular matter you will need to decide whether to declare an interest. You should declare an interest unless you believe that, in the particular circumstances, the interest is too remote or without significance. In reaching a view on whether the objective test applies to the interest, you should consider whether your interest (whether taking the form of association or the holding of office) would be seen by a member of the public acting reasonably in a different light because it is the interest of a person who is a member of a public body as opposed to the interest of an ordinary member of the public.

## Your Financial Interests

5.8 You must declare, if it is known to you, any financial interest (including any financial interest which is registerable under any of the categories prescribed in Section 4 of this Code). If, under category one (or category seven in respect of non-financial interests) of section 4 of this Code, you have registered an interest

(a) as the Principal of the College;

(b) as a member of the teaching staff of the College having been elected from their number to the Board;

(c) as a member of the non-teaching staff of the College having been elected from their number to the Board;

(d) as a student of the College having been nominated by the Students' Association of the College to the Board; or

(e) in relation to any particular experience or position which was relevant to / a reason for your appointment to the public body (for example, as director of an education authority)

you do not, for that reason alone, have to declare that interest.

There is no need to declare an interest which is so remote or insignificant that it could not reasonably be taken to fall within the objective test.

You must withdraw from the meeting room until discussion of the relevant item where you have a declarable interest is concluded. There is no need to withdraw in the case of an interest which is so remote or insignificant that it could not reasonably be taken to fall within the objective test.

#### Your Non-Financial Interests

5.9 You must declare, if it is known to you, any non-financial interest if:

(i) that interest has been registered under category seven (Non- Financial Interests) of Section 4 of the Code; or

(ii) that interest would fall within the terms of the objective test.

There is no need to declare an interest which is so remote or insignificant that it could not reasonably be taken to fall within the objective test.

You must withdraw from the meeting room until discussion of the relevant item where you have a declarable interest is concluded. There is no need to withdraw in the case of an interest which is so remote or insignificant that it could not reasonably be taken to fall within the objective test.

## The Financial Interests of Other Persons

5.10 The Code requires only your financial interests to be registered. You also, however, have to consider whether you should declare any financial interest of certain other persons.

You must declare if it is known to you any financial interest of:-

(i) a spouse, a civil partner or a co-habitee;

(ii) a close relative, close friend or close associate;

(iii) an employer or a partner in a firm;

(iv) a body (or subsidiary or parent of a body) of which you are a remunerated member or director;

(v) a person from whom you have received a registerable gift or registerable hospitality;

(vi) a person from whom you have received registerable expenses.

There is no need to declare an interest if it is so remote or insignificant that it could not reasonably be taken to fall within the objective test.

You must withdraw from the meeting room until discussion of and voting on the relevant item where you have a declarable interest is concluded. There is no need to withdraw in the case of an interest which is so remote or insignificant that it could not reasonably be taken to fall within the objective test.

5.11 This Code does not attempt the task of defining "relative" or "friend" or "associate". Not only is such a task fraught with difficulty but is also unlikely that such definitions would reflect the intention of this part of the Code. The key principle is the need for transparency in regard to any interest which might (regardless of the precise description of relationship) be objectively regarded by a member of the public, acting reasonably, as potentially affecting your responsibilities as a member of the public body and, as such, would be covered by the objective test.

## The Non-Financial Interests of Other Persons

5.12 You must declare if it is known to you any non-financial interest of:-

(i) a spouse, a civil partner or a co-habitee;

(ii) a close relative, close friend or close associate;

(iii) an employer or a partner in a firm;

(iv) a body (or subsidiary or parent of a body) of which you are a remunerated member or director;

(v) a person from whom you have received a registerable gift or registerable hospitality;

(vi) a person from whom you have received registerable election expenses.

There is no need to declare the interest if it is so remote or insignificant that it could not reasonably be taken to fall within the objective test.

There is only a need to withdraw from the meeting if the interest is clear and substantial.

### Making a Declaration

5.13 You must consider at the earliest stage possible whether you have an interest to declare in relation to any matter which is to be considered. You should consider whether agendas for meetings raise any issue of declaration of interest. Your declaration of interest must be made as soon as practicable at a meeting where that interest arises. If you do identify the need for a declaration of interest only when a particular matter is being discussed you must declare the interest as soon as you realise it is necessary.

5.14 The oral statement of declaration of interest should identify the item or items of business to which it relates. The statement should begin with the words "I declare an interest". The statement must be sufficiently informative to enable those at the meeting to understand the nature of your interest but need not give a detailed description of the interest.

### **Frequent Declarations of Interest**

5.15 Public confidence in a public body is damaged by perception that decisions taken by that body are substantially influenced by factors other than the public interest. If you would have to declare interests frequently at meetings in respect of your role as a board member you should not accept a role or appointment with that attendant consequence. If members are frequently declaring interests at meetings then they should consider whether they can carry out their role effectively and discuss with their chair. Similarly, if any appointment or nomination to another body would give rise to objective concern because of your existing personal involvement or affiliations, you should not accept the appointment or nomination.

#### Dispensations

5.16 In some very limited circumstances dispensations can be granted by the Standards Commission in relation to the existence of financial and non-financial interests which would otherwise prohibit you from taking part and voting on matters coming before your public body and its committees.

5.17 Applications for dispensations will be considered by the Standards Commission and should be made as soon as possible in order to allow proper consideration of the application in advance of meetings where dispensation is sought. You should not take part in the consideration of the matter in question until the application has been granted.

#### ANNEX A

# SANCTIONS AVAILABLE TO THE STANDARDS COMMISSION FOR BREACH OF THE CODE

(a) Censure – the Commission may reprimand the member but otherwise take no action against them;

(b) Suspension – of the member for a maximum period of one year from attending one or more, but not all, of the following:

- i) all meetings of the public body;
- ii) all meetings of one or more committees or sub-committees of the public body;
- iii) all meetings of any other public body on which that member is a representative or nominee of the public body of which they are a member.

(c) Suspension – for a period not exceeding one year, of the member's entitlement to attend all of the meetings referred to in (b) above;

(d) Disqualification – removing the member from membership of that public body for a period of no more than five years.

Where a member has been suspended, the Standards Commission may direct that any remuneration or allowance received from membership of that public body be reduced, or not paid.

Where the Standards Commission disqualifies a member of a public body, it may go on to impose the following further sanctions:

(a) Where the member of a public body is also a councillor, the Standards Commission may disqualify that member (for a period of no more than five years) from being nominated for election as, or from being elected, a councillor. Disqualification of a councillor has the effect of disqualifying that member from their public body and terminating membership of any committee, sub-committee, joint committee, joint board or any other body on which that member sits as a representative of their local authority.

(b) Direct that the member be removed from membership, and disqualified in respect of membership, of any other devolved public body (provided the members' code applicable to that body is then in force).

In some cases the Standards Commission do not have the legislative powers to deal with sanctions, for example if the respondent is an executive member of the board or appointed by the Queen. Sections 23 and 24 of the Ethical Standards in Public Life etc. (Scotland) Act 2000 refer.

Full details of the sanctions are set out in Section 19 of the Act.

#### ANNEX B

#### DEFINITIONS

**"Chair"** includes Board Convener or any person discharging similar functions under alternative decision-making structures.

"Code" code of conduct for members of devolved public bodies

**"Cohabitee"** includes a person, whether of the opposite sex or not, who is living with you in a relationship similar to that of husband and wife.

**"Group of companies"** has the same meaning as "group" in section 262(1) of the Companies Act 1985. A "group", within s262 (1) of the Companies Act 1985, means a parent undertaking and its subsidiary undertakings.

**"Parent Undertaking"** is an undertaking in relation to another undertaking, a subsidiary undertaking, if a) it holds a majority of the rights in the undertaking; or b) it is a member of the undertaking and has the right to appoint or remove a majority of its board of directors; or c) it has the right to exercise a dominant influence over the undertaking (i) by virtue of provisions contained in the undertaking's memorandum or articles or (ii) by virtue of a control contract; or d) it is a councillor of the undertaking and controls alone, pursuant to an agreement with other shareholders or councillors, a majority of the rights in the undertaking.

"A person" means a single individual or legal person and includes a group of companies.

"**Any person**" includes individuals, incorporated and unincorporated bodies, trade unions, charities and voluntary organisations.

"**Public body**" means a devolved public body listed in Schedule 3 of the Ethical Standards in Public Life etc. (Scotland) Act 2000, as amended.

"**Related Undertaking**" is a parent or subsidiary company of a principal undertaking of which you are also a director. You will receive remuneration for the principal undertaking though you will not receive remuneration as director of the related undertaking.

**"Remuneration"** includes any salary, wage, share of profits, fee, expenses, other monetary benefit or benefit in kind. This would include, for example, the provision of a company car or travelling expenses by an employer.

**"Spouse**" does not include a former spouse or a spouse who is living separately and apart from you.

"**Undertaking**" means: a) a body corporate or partnership; or

b) an unincorporated association carrying on a trade or business, with or without a view to a profit.

APPENDIX B: Financial Memorandum between University of Highlands & Islands and Perth College



Financial Memorandum between University of the Highlands and Islands (Regional Strategic Body) and Perth College UHI (Assigned College)

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#### FINANCIAL MEMORANDUM

## Introduction

#### Purpose of this document

- This Financial Memorandum (FM) sets out the formal relationship between the University of the Highlands & Islands Regional Strategic Body and Perth College UHI (the College) and the requirements with which the College must comply in return for payment of grant by the Regional Strategic Body.
- The FM also makes it a term and condition of grant from the Regional Strategic Body that Perth College UHI complies with the requirements of the Scottish Public Finance Manual (SPFM) and sets out the special actions and derogations, which have been agreed with the Scottish Ministers.

#### Definitions

- 3. University of the Highlands & Islands (Court) is the Regional Strategic Body, therefore any reference to Regional Strategic Body should be read as the University of the Highlands and Islands. It is noted that the University Court has delegated consideration of further education matters to the UHI FE Regional Board although ultimate accountability rests with the Court.
- Chief Officer is defined as the Principal and Vice Chancellor of University of the Highlands and Islands.
- 5. Chief Executive Officer is defined as the College Principal.

#### Compliance with the Financial Memorandum

- The responsibility for ensuring that the College complies with this FM rests with the governing body of the College. Questions about the interpretation of the FM may be raised with officers of the Regional Strategic Body.
- Where the College's interpretation of the FM differs from that of the Regional Strategic Body, the Regional Strategic Body will seek, wherever possible, to reach agreement in a spirit of partnership with the College. However, the Regional Strategic Body's interpretation of this FM shall be final.

#### Effective date

8. This FM shall take effect from 1st January 2016.

#### Structure of this document

- 9. The FM is in four parts:
  - Part 1: defines the relationship between the Regional Strategic Body and the College and the responsibilities of each for the proper stewardship of public funds
  - Part 2: contains the general requirements that apply to the College
  - Part 3: contains additional requirements for incorporated colleges
  - Part 4: contains additional requirements for non-incorporated colleges.

# Part 1: The relationship between the Regional Strategic Body and the College

#### Responsibilities of the Regional Strategic Body

- The Regional Strategic Body has been established under the Further and Higher Education (Scotland) Act 2005, as amended by the Post-16 Education (Scotland) Act 2013, to support a regional approach to the planning and funding of college provision.
- A Regional Strategic Body may make grants, loans or other payments to the governing bodies of colleges assigned to it for the provision of further education, higher education, research and related activities.
- 3. The legislation also confers certain duties and responsibilities on the Regional Strategic Body, including to exercise its functions with a view to securing coherent, high quality further and higher learning provision in the localities of its colleges, and monitoring the performance of its colleges.
- 4. Under the terms of the 2005 Act, the Regional Strategic Body may attach terms and conditions to the payment of grant made to its colleges. It is a term and condition of grant payment from the Regional Strategic Body that the governing body of the College and its designated officers comply with the requirements set out in this FM.

#### Accountability

- The Regional Strategic Body is accountable to the Scottish Funding Council (SFC) for the use of public funds provided to it by SFC under the terms of the relevant legislation.
- 6. The Chief Officer of the Regional Strategic Body is responsible and accountable to the SFC for ensuring that funds provided to the Body are used for the purposes for which they have been given, and in ways that comply with the conditions attached to them. The Chief Officer has a personal responsibility for the propriety and regularity of the public finances provided to the Regional Strategic Body, and for ensuring that funding is used economically, efficiently and effectively.

#### Assurance

7. In order to meet his or her responsibilities, the Chief Officer of the Regional Strategic Body must be satisfied that the governing body of the College meets the requirements of this FM as a condition of receiving grant funding from the Regional Strategic Body. The Regional Strategic Body will therefore seek financial management and other information from the College but, as far as possible, will rely on data and information that the College has produced to meet its own needs. If further information is required, the Regional Strategic Body will make a specific request in the context of its commitment to efficient regulation.

- 8. The Chief Executive Officer of the College shall provide a letter of representation (template will be provided) to the Chief Officer of the Regional Strategic Body on 30<sup>th</sup> April each year confirming that all requirements of the financial memorandum have been met. If any requirements cannot be confirmed, the reasons for non-compliance should be explained in writing by the Chief Executive Officer and actions to rectify the position agreed with the Chief Officer of the Regional Strategic Body.
- 9. Where the Regional Strategic Body has concerns or insufficient information to provide the assurance required, it will, in the first instance, seek to resolve matters with the Chief Executive Officer of the College. Where this has not proved possible, or in the case of significant concerns, the Chief Officer of the Regional Strategic Body will inform the Chair of the College governing body and the College's Chief Executive Officer in writing and without delay and will specify what action is required to address these concerns.
- Where circumstances warrant it, the Regional Strategic Body's Chief Officer may suspend the payment of any or all grants to the College. The Regional Strategic Body may also use its powers to attend and address a meeting of the College governing body.

#### What the College can expect from the Regional Strategic Body

- The Regional Strategic Body will conduct its affairs to high standards of corporate governance and public administration. It will maintain a complaints procedure and a separate appeals process for funding decisions.
- 12. The Regional Strategic Body will act reasonably on the basis of the fullest available evidence and objective analysis. Subject to any legal requirement to observe confidentiality, it will be open and transparent with the College, and with other stakeholders, and will give or be prepared to give a public justification of its decisions.
- In discharging its responsibilities, the Regional Strategic Body will seek to make regulation efficient and effective.

- 14. The Regional Strategic Body will seek at all times to work in a spirit of partnership with the College, including maintaining regular dialogue with the College and, where appropriate, its representative bodies. The shared aim of that partnership will be to work collaboratively to support the College deliver its strategic priorities and commitments in terms of the Regional Outcome Agreement with SFC, and to ensure that the Regional Strategic Body can deliver its regional priorities and undertake its statutory and other functions. The Regional Strategic Body recognises that the College may also undertake activities, and have to comply with legislation and regulation, which may fall outside the scope of this partnership.
- 15. The Regional Strategic Body will allocate and pay grant to the College in accordance with its current policies and procedures. The College will be consulted in advance and given reasonable notice of any significant change to these policies and procedures and of significant changes in overall funding levels.

#### The Regional Strategic Body's governance requirements of the College

- 16. The Regional Strategic Body must be able to rely on the whole system of governance, management and conduct of the College to safeguard all funds of the College deriving from the Regional Strategic Body and achieve the purposes for which those funds are provided.
- 17. The Regional Strategic Body requires the governing body of the College to comply with the principles of good governance set out in the Code of Good Governance for Scotland's Colleges. The Regional Strategic Body also requires the governing body of the College to ensure that:
  - Public funds are used in accordance with relevant legislation, the requirements of this FM and only for the purpose(s) for which they were given. Strategic, Capital or other grant funding must only be used for the purpose for which it is provided by the Regional Strategic Body
  - Subject to any legal requirement to observe confidentiality, the College will be open and transparent with the Regional Strategic Body and other stakeholders, and will give, or be prepared to give, a public justification of its decisions in relation to the use of public funds
  - The College strives to achieve value-for-money and is economical, efficient and effective in its use of public funding

- There is effective planning and delivery of the College's activities in accordance with its mission and its commitments to the Regional Outcome Agreement agreed with SFC
- The College plans and manages its activities to remain sustainable and financially viable. A College is being managed on a sustainable basis if, year on year, it generates sufficient income to cover its costs and allow for maintenance of and investment in its infrastructure (physical, human and intellectual) at a level which enables it to maintain adaptive capacity necessary to meet future demands
- The College has a sound system of internal management and control, including an audit committee, an effective internal audit service, and adequate procedures to prevent fraud or bribery
- The College has an effective policy of risk management and risk management arrangements. The College complies with the Regional Strategic Body policy on risk management and risk management arrangements and shares information with the Regional Strategic Body in line with agreed protocol
- The College has regular, timely, accurate and adequate information to monitor performance and account for the use of public funds. Such information will be made available to the Regional Strategic Body on request, as necessary, for the exercise of its functions and to gain assurance
- The College is engaged actively in continuously enhancing the quality of its activities and involves the Regional Strategic Body, students and other stakeholders in these processes
- The Regional Strategic Body Internal Audit Service has rights of access to all the College's premises, staff, records information and assets which it considers necessary to fulfill its role and responsibilities. Access will be arranged by prior agreement where possible
- As well as being accountable directly to the governing body of the College for the proper conduct of the College's affairs, the Chief Executive Officer of the College is also accountable directly to the Regional Strategic Body's Chief Officer for the College's proper use of funds deriving from the Regional Strategic Body and its compliance with the requirements of this FM.
- The Chief Executive Officer of the College must inform the Regional Strategic Body's Chief Officer without delay of any circumstance that is having, or is

likely to have, a significant adverse effect on the ability of the College to deliver its education programs, and other related activity, including delivery of its commitment to the Regional Outcome Agreement with SFC. He or she must also notify the Regional Strategic Body's Chief Officer of any serious weakness, such as a significant and immediate threat to the College's financial position, significant fraud or major accounting breakdown or any material noncompliance with any requirement of this FM.

19. The Regional Strategic Body reserves the right to investigate any of the matters notified above in order to establish the facts and to determine whether appropriate actions have been or are being taken to mitigate the risk of reoccurrence.

#### **Revisions to the Financial Memorandum**

 The Regional Strategic Body will make changes to the requirements of this FM only after consulting the SFC, the College, its representative bodies and other relevant stakeholders.

#### Part 2: General requirements

1. Unless otherwise stated, the following general requirements apply to the College.

#### Financial Memorandum

2. It is a term and condition of grant payment from the Regional Strategic Body that the governing body of the College and its designated officers comply with the requirements set out in this FM.

#### Post-16 Education Body criteria

 In undertaking its functions, the governing body of the College must keep under review and have in place satisfactory provision in relation to the list of matters set out in section 7 (2) of the 2005 Act, as amended by the Post-16 Education (Scotland) Act 2013.

#### Outcome Agreement

 The College must deliver its commitment to the Regional Outcome Agreement with SFC as agreed with the Regional Strategic Body.

#### Payment of Strategic, Capital or other Grants

 Where the Regional Strategic Body makes a payment to the College of a Strategic, Capital or other grant, the College will be required to comply with any additional requirements attached to the grant, as well as with this FM.

#### Changes to grant payments

 If the SFC revises its payment of grant to the Regional Strategic Body, then the Regional Strategic Body reserves the right to make adjustments to its payment of grant to the College.

#### **Repayment of grant**

- 7. If the College fails to comply with the requirements of this FM, and any other specific terms and conditions attached to the payment of grant from the Regional Strategic Body, it may be required to repay the Regional Strategic Body any sums received from it and may be required to pay interest in respect of any period during which a sum due to the Regional Strategic Body in accordance with this or any other condition remains unpaid.
- If, in the reasonable opinion of the Regional Strategic Body, any provision set out in this FM is not observed by the College, the Regional Strategic Body will be entitled, in respect of the payment of grant from the Regional Strategic Body:
  - In the case of funding by way of grant: to require immediate repayment of any and all grants or any part or parts of any grants at any time after the Regional Strategic Body becomes aware of such failure to observe (without prejudice to further demands until the whole of all sums made available by way of grant shall have been paid in full)
  - In the case of funding by way of loan (notwithstanding the terms of any agreement attached to the same): to require immediate repayment of the whole or part of each such loan at any time after the Regional Strategic Body becomes aware of such failure to observe (without prejudice to further demands until the whole of all sums made available by way of loan shall have been repaid in full).

#### Public sector pay policy

The College must have regard to public sector pay policy set by the Scottish Ministers.

#### **Tuition fees**

- Where applicable, the College must charge student tuition fees at the levels set by the Scottish Ministers under either the Student Fees (Specification) (Scotland) Order 2006 or the Student Fees (Specification) (Scotland) Order 2011, whichever is applicable.<sup>1</sup> However:
  - the tuition fee levels set by the Scottish Ministers under the student Fees (Specification) (Scotland) Order 2006 do not apply to students who do not have a relevant connection with the United Kingdom and Islands or are not excepted students within the meaning of the Education (Fees and Awards) (Scotland) Regulations 2007; and
  - The tuition fee levels set by the Scottish Ministers under the Student Fees (Specification) (Scotland) Order 2011 do not apply to students who do not have a relevant connection with Scotland or are not excepted students within the meaning of the Education (Fees) (Scotland) Regulations 2011, but any tuition fees charged to students from the rest of the United Kingdom must not exceed £9,000 per year<sup>2</sup>.

<sup>3</sup> The level of tuition fees in 2014-15 for full-time undergraduate first degree students is £1,820. The same fee applies for PGDE and PGDipCE courses. A higher medical fee £2,895 applies only to continuing students. For full-time higher education courses at sub-degree level, a fee of £1,285 should be charged.

<sup>3</sup> At the moment, this £9,000 limit is not set by legislation but will be once an order is made under section 9D of the Further and Higher Education (Scotland) Act 2005 (as inserted by the Post-16 Education (Scotland) Act 2013.).

#### Disposal of exchequer funded assets

 In disposing of exchequer funded assets, the College must in the first instance notify the Regional Strategic Body and follow the guidance in the relevant procedure notes on the SFC website as amended from time-to-time.

#### Student activity

12. Where appropriate, the College must provide data returns requested by the SFC to the standards specified and by the deadline set by the Regional Strategic Body. For further education activity the SFC's <u>Student Activity</u> <u>Data Guidance</u> for Colleges can be found on the <u>SFC website.</u>

#### Student support guidance

13. Where appropriate, the College's must follow SFC's Student Support Guidance.

#### **European Social Funds**

 Where the College is in receipt of European Social Fund funding, it must follow SFC's <u>ESF guidance</u> and the Regional Strategic Body protocol.

#### Audit and accounting

- 15. The governing body must appoint and have in place an effective audit committee and ensure the establishment and maintenance of effective arrangements for the provision of internal and external audit. For incorporated colleges, Audit Scotland will appoint external auditors.
- 16. The Audit Committee must produce an annual report to the governing body of the College

#### Accounts direction

 The College must follow the SFC's current <u>Accounts Direction</u> in the preparation of its annual financial statements and comply with the Regional Strategic Body requirements to facilitate the production of consolidated statutory accounts if required.

#### Internal audit

 The College must have in place an effective internal audit service. The operation and conduct of the internal audit service should conform to the professional standards of the Chartered Institute of Internal Auditors. For incorporated colleges, the operation and conduct of internal audit must comply with Public Sector Internal Audit Standards and, where relevant the SPFM.

- 19. The College must inform the Regional Strategic Body when an internal auditor is appointed and must inform the Regional Strategic Body immediately if the internal auditor is removed or departs before the end of their term of office.
- The internal audit service must provide the governing body and senior management of the College with an objective assessment of adequacy and effectiveness of risk management, internal control, governance, and value-formoney.
- 21. The internal audit service must extend its review over all the financial and other management control systems, identified by the audit needs assessment process. It must cover all activities in which the College has a financial interest, including those not funded by the Regional Strategic Body. It must include review of controls including investment procedures that protect the College in its dealings with organisations, such as subsidiaries or associated companies, Arms-Length Foundations, students' associations, and collaborative ventures or joint ventures with third parties.
- 22. The internal audit service will work with the Regional Strategic Body Internal Audit Service to coordinate audit planning and auditing activities in an effort to optimise audit assurance and minimise duplication.
- 23. The internal audit service where required by the Regional Strategic Body Internal Audit Service shall carry out audits of, but not limited to, Student statistical returns, Education Maintenance Allowances, Student Support Funds in accordance with the relevant guidance and report the findings and provide appropriate audit certificates to the Regional Strategic Body Internal Audit Service.
- 24. The internal auditor must produce an annual report for the governing body of the College on its activities during the year. The report must include an opinion on the adequacy and effectiveness of the College's risk management, internal control, and governance. The report must be presented to the College's audit committee and a copy sent to the Regional Strategic Body.
- 25. The College must not in any way limit the Regional Strategic Body access to assurance information and reports from the College's Internal Audit Service.

#### Value for money

- The College must have a strategy for reviewing systematically management's arrangements for securing value for money.
- 27. As part of its internal audit arrangements, the College must obtain a comprehensive appraisal of management's arrangements for achieving value for money. A copy of this appraisal should be included in the College's Internal Auditors Annual Report.

#### External Audit

- 28. The external auditor must be entitled to receive all notices of and other communications relating to any meeting of the governing body of the College which any member of the governing body is entitled to receive. They must also be entitled to attend any such meeting and to be heard at any meeting which they attend, on any part of the business which concerns them as auditors.
- 29. The external auditor must also be entitled to attend the meeting of the governing body of the College or other appropriate committee at which the College's annual report and financial statements are presented.

The external auditor is expected to attend, as a minimum, any meetings of the audit committee of the College where relevant matters are being considered, such as planned audit coverage, the audit report on the financial statements and the audit management letter. It is the responsibility of the secretary to the College audit committee to notify the external auditor of such meetings.

- 30. The external auditors, notwithstanding responsibilities to their clients, are expected to co-operate fully with any enquiries or routine monitoring that the Regional Strategic Body undertakes.
- The College must not in any way limit the Regional Strategic Body's access to the College's external auditors.

#### Part 3: Additional requirements for incorporated colleges

1. The following additional requirements apply to incorporated colleges.

#### Scottish Public Finance Manual

- The College must follow the requirements of the <u>Scottish Public Finance</u> <u>Manual</u> (SPFM) except where any special actions or derogations have been agreed with the Scottish Ministers.
- The derogations and actions in the following paragraphs have been agreed with the Scottish Ministers and must be read in conjunction with the SPFM. Where reference is made to the SPFM, please refer to the relevant section for the detailed requirements.
- In cases where the SPFM requires bodies to notify or request prior approval from the Scottish Government or SFC, the College must, in the first instance, contact the Regional Strategic Body.

#### Borrowing

 All borrowing by the College will require the approval of the Scottish Ministers. Requests to borrow must be submitted, through the Regional Strategic Body, to the SFC in the first instance.

#### Cash management and banking

- 6. Grant payment will not be made in advance of need, as determined by the level of unrestricted cash reserves and planned expenditure. Unrestricted cash reserves held during the course of the year must be kept to the minimum level consistent with the efficient operation of the College and the level of funds required to meet any relevant liabilities at the year-end. Grant-in-aid not drawn down by the end of the financial year (31 March) shall lapse. Grant-inaid must not be paid into any restricted reserve held by the College.
- 7. The Regional Strategic Body will work with individual incorporated colleges to ensure that there is an internal partnership solution so that it is not necessary for the College to use arms' length foundations to keep the funding available for use within the partnership.
- 8. Banking arrangements must ensure they offer best value and comply with the Banking section of the SPFM. The Scottish Ministers have approved a

derogation which delays the move to the Government Banking Service (GBS) to 2016-17 at the earliest.

- The College may extend existing banking arrangements, provided they are not extended beyond Financial Year 2016-17. Any extension beyond Financial Year 2016-17 requires the agreement of the Scottish Ministers.
- The College can operate bank overdraft facilities to assist it in managing the timing of income and expenditure through its bank account. Overdrafts should not be used as a means of increasing borrowing.

#### Contingent commitments

- 11. The College must seek, through the Regional Strategic Body, SFC's prior written consent if it intends to lend or give a guarantee, indemnity or letter of comfort. The value of the guarantee should be equal to the total contingent liability over the term of the guarantee. In all cases, the College must take steps to restrict the contingent liability to a minimum and should undertake a careful appraisal of the risks before accepting any contingent liability.
- The College must also provide assurance that, in the event of the contingent liability arising, it can be met from within the College's own resource, or that appropriate insurance cover has been arranged.
- However, SFC's written consent is not required for such arrangements if the indemnity is of a standard type contained in contracts and agreements for 'dayto-day' procurement of goods and services in the normal course of business.

#### Delegated financial limits and annual reporting requirements

- 14. The College's specific delegated financial limits are set out in Appendix A. The College must obtain, through the Regional Strategic Body, SFC's prior written approval before entering into any undertaking to incur any expenditure that falls outwith these delegations.
- 15. Prior SFC approval, through the Regional Strategic Body, must always be obtained before incurring expenditure for any purpose that is, or might be considered, novel, contentious or repercussive or which has or could have significant future cost implications.

- 16. What might be regarded as novel or contentious inevitably involves a degree of judgement. Novel would include proposed expenditure or financial arrangements of a sort not undertaken previously or which is not standard practice. Contentious would include proposed expenditure or financial arrangements where there was any doubt as to its regularity for example, its compliance with relevant legislation or guidance or its propriety for example, compliance with the standards expected of publicly funded bodies or their officials. Proposed expenditure or financial arrangements that might be considered to be sensitive politically would also be regarded as contentious.
- In addition, any frauds that are detected must be reported, through the Regional Strategic Body, to SFC as and when they occur.
- The College must establish appropriate documented internal delegated authority arrangements consistent with the <u>Delegated Authority</u> section of the SPFM and this FM.
- Appendix A also sets out the levels for certain categories of expenditure above which the College should report annually through the Regional Strategic Body to SFC. The report should describe the number of instances and total cost, by category of expenditure.

# Duties to provide information on certain expenditure as required by The Public Services Reform (Scotland) Act 2010

- 20. As soon as is reasonably practicable after the end of each financial year, the College must publish a statement of any expenditure that it has incurred during that financial year on or in connection with the matters described below.
  - Public relations
  - Overseas travel,
  - Hospitality and entertainment,
  - External consultancy.
- 21. As soon as is reasonably practicable after the end of each financial year, the College must publish a statement specifying the amount, date, payee and subject-matter of any payment, relating to any of the matters listed above, made during that financial year which has a value in excess of £25,000.

#### Early departures of staff

- 22. The College must follow the requirements of the SPFM in determining settlement agreements, severance, early retirement and redundancy arrangements and payments. In addition, the College must have regard to the principles of good practice in managing early departures of staff contained in Audit Scotland's May 2013 report: <u>Managing early departures from the Scottish public sector.</u>
- 23. In line with the requirements of the SPFM, the College's severance scheme must be approved, through the Regional Strategic Body, by SFC. Provided a severance payment is within the parameters of a scheme, which has been approved by the SFC, there will be no need for the College to seek approval to the individual payment from SFC.
- However, special severance payments in excess of £1,000 must be approved, through the Regional Strategic Body, by SFC, except where provision for such payments has been included in a severance scheme approved by SFC. (See Appendix A).

#### External business and management consultancy contracts

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

#### Impairments, provisions and write-offs

- 26. Assets must be recorded in the Balance Sheet at Depreciated Replacement Cost for Land and Buildings and at Historic Cost less depreciation for Equipment in accordance with the Financial Reporting Manual (FReM). Where an asset, including investments, suffers impairment, it is important that the prospective impairment and background is communicated, through the Regional Strategic Body, to the SFC at the earliest possible point in the financial year to determine the budget implications. Any significant movement in existing provisions or the creation of new provisions must be discussed, through the Regional Strategic Body, with the SFC.
- Write-off of bad debt and/or losses score against resource Departmental Expenditure Limits (DEL).

#### Income generation

 The College will be able to retain all commercial income, gifts, bequests or donations received. These funds will be in addition to any grant or funding the College receives from the Regional Strategic Body.

#### Insurance

 The Scottish Ministers have agreed a derogation whereby colleges can extend their current commercial insurance arrangements for three years to 31 July 2018.

#### Investments

 The College must not make any investments of a speculative nature without the prior written approval, through the Regional Strategic Body, of SFC.

#### Procurement and payment

- 31. The College's procurement processes must reflect the relevant guidance contained in the Advanced Procurement for Universities and Colleges, and relevant policy and advice issued by the Scottish Procurement Directorate. Procurement must be undertaken by appropriately trained and authorised staff and treated as a key component of achieving the College's objectives consistent with the principles of Best Value, the highest professional standards and any legal requirement.
- 32. Any proposal to award a contract without competition (non-competitive action) must be approved, through the Regional Strategic Body, in advance by SFC. Specific delegated authority is given to award a contract without competition for £25,000 or less without advance approval. (See Appendix A)

#### Transfer of surplus funds to arms-length foundations

33. The Regional Strategic Body will exercise strategic management of resources across the region to ensure regional priorities are identified and supported. Transfers to arms' length foundations would therefore normally be allowed by the Regional Strategic Body. However, in exceptional circumstances, the College and the Regional Strategic Body may agree to an alternative arrangement.

### Appendix A

Delegated financial limits and annual reporting requirements for incorporated colleges	
Delegated financial limits	
External Business and management consultancies	£100,000
Special severance payments	£1,000
Operating leases-non property	£250,000
Procurement non-competitive action	£25,000
Annual reporting requirements	
Extra contractual payments	£5,000
Compensation payments	£5,000
Ex-gratia payments	£1,000
Claims waived or abandoned	£3,000
Write-off of bad debt	£3,000
Losses	£3,000
Overseas student irrecoverable loss	£6,000
Fraud loss	£5,000



### Code of Good Governance for Scotland's Colleges

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- Staff Governance

#### **Section D: Effectiveness**

- The Board Chair
- Board Members
- Principal and Chief Executive
- Board Secretary
- Board Member Appointment, Induction and Training
- Board Evaluation

#### Section E: Relationships and Collaboration

• Partnership Working

#### **Annex 1: References and Definitions**

#### 1. Background

The original *Code of Good Governance for Scotland's Colleges* was published in December 2014. In Summer 2016, the Good Governance Steering Group undertook a review and the Code was updated. The Cabinet Secretary's Good Governance Task Group recommendations were also taken into account during the review of the Code.

Colleges Scotland will act as custodian for any future reviews and in keeping with the way that the Code was created, the broad range of stakeholders who developed the Code will be engaged fully with any revisions.

#### 2. Foreword

Colleges in Scotland thrive in the heart of their communities, serving the interests of those communities, students, employers, governments and their agencies and other stakeholders. They have an essential and valuable role in Scottish society. In 2014/15, they enrolled almost 300,000 students and a study by EMSI (Economic Modelling Specialists International) showed that the economic impact of Scotland's colleges to the business community in Scotland is almost £15 billion each year.

Colleges and regional strategic bodies receive substantial public funding and also operate in an increasingly commercial and enterprising way. We value the significant contribution college board members make to governing our colleges and regional strategic bodies, and to their stewardship of taxpayer's money, ensuring its efficient and effective use.

Boards are expected to innovate, pursue new opportunities and take measured risks in delivering what is best for their stakeholders. In recent times, they have gone through major transformational change, embracing regionalisation and post-16 education reforms.

Against this background, it is right and proper that the highest standards of governance and propriety are expected of our boards and those individuals who serve them. This Code of Good Governance codifies the principles of good governance for learners and learning that already exist in our colleges and promotes accountability and continuous improvement in how colleges and regional strategic bodies are governed.

The Code is based on key principles and has been written in a way that is mandatory and anticipates compliance. All colleges that receive funding from the Scottish Funding Council (SFC) or from a regional strategic body must comply with the Code as a term and condition of grant. Exceptions should be rare and must be explained publicly.

In addition to demonstrating good governance, colleges and regional strategic bodies must also ensure compliance with their statutory and other obligations. The Board Secretary role is vital in providing guidance to the board on its legal and other obligations.

Colleges have an important individual and collective role to play in promoting economic, social and cultural well-being. We expect this Code to provide the essential underpinning to help discharge that role to the highest standards possible.

# Hugh Hall, Chair of the Good Governance Steering Group August 2016

#### 3. Code of Good Governance for Scotland's Colleges

#### Governance and the Code

Corporate governance:

- is the way in which organisations are directed and controlled within a legislative framework
- defines the distribution of rights and responsibilities among the different stakeholders and participants in the organisation
- determines the rules and procedures for making decisions on corporate affairs including the process through which the organisation's objectives are set
- provides the means of achieving those objectives and monitoring performance.

Scotland's colleges refers to colleges either funded by SFC or by a regional strategic body for the provision of education. Such colleges can be incorporated or non-incorporated. The overarching purpose of good governance for Scotland's colleges is to:

- lead the college, region or regional strategic body and set its strategic direction and values
- ensure effective management and financial controls to support the student experience within a framework of public accountability and transparency
- deliver high quality learning and outcomes.

The Code of Good Governance for Scotland's Colleges has been developed and is owned by the college sector. Colleges are required to comply with it as a condition of grant from either SFC or their regional strategic body. It establishes standards of good governance practice for all boards and provides the essential foundations for compliance within the legislative framework.

Boards must not only follow the letter but also the spirit of the Code to ensure good governance. Boards must think deeply, thoroughly and on a continuing basis about their overall tasks and the implications of these for the roles of their individual members. Key to this is the leadership of the chair, the support given to and by the principal, and the frankness and openness of mind with which issues are discussed and tackled by all board members.

#### Statement of Compliance with Good Governance

Each board must state its adoption of the Code in the corporate governance statement contained in its annual financial statement. The chair, on behalf of the board, is expected to report as to how the principles have been applied by the board. Where, for whatever reason, a board's practice is not consistent with any particular principle of the Code, it should make this known to SFC or, if it is an assigned college, the regional strategic body. This should be done immediately they become aware of an inconsistency and, without exception, in advance of publishing the information. An explanation for that inconsistency must be clearly stated in its corporate governance statement. Boards will be expected to offer a clear rationale for exceptions in the context of their college's operational model and to identify mitigations.

Individual board members have duty to act on serious concerns about the governance of their body. Information on who board members can approach is included in <u>The Guide for Board</u> <u>Members in the College Sector</u>.

#### 4. Principles

#### Section A: Leadership and Strategy

#### **Conduct in Public Life**

- A.1 Every college and regional strategic body must be governed by an effective board that is collectively responsible for setting, demonstrating and upholding the values and ethos of the organisation.
- A.2 Every board member must ensure that they are familiar with and their actions comply with the provisions of their board's Code of Conduct.
- A.3 The *Nine Principles of Public Life in Scotland*, which incorporate the seven Nolan principles, must be the basis for board decisions and behaviour. These key principles, which apply individually and collectively are:
  - Duty/Public Service
  - Selflessness
  - Integrity
  - Objectivity
  - Accountability and Stewardship
  - Openness
  - Honesty
  - Leadership
  - Respect

#### **Vision and Strategy**

- A.4 The board is responsible for determining their institution's vision, strategic direction, educational character, values and ethos. Regional strategic bodies must also determine the regional strategy for colleges assigned to them. The board of an assigned college must have regard to the strategy determined by the regional strategic body. Board members have a collective leadership role in fostering an environment that enables the body to fulfil its mission and meet Scottish Government priorities, for the benefit of students and the community it serves.
- A.5 The board must develop and articulate a clear vision for the region or college. This should be a formally agreed statement of its aims and desired outcomes which should be used as the basis for its overall strategy and planning processes.
- A.6 The board provides overall strategic leadership of the region or college. The board is responsible for formulating and agreeing strategy by identifying strategic priorities and providing direction within a structured planning framework.
- A.7 The board must ensure that a comprehensive performance measurement system is in place which identifies key performance indicators. It must ensure that it scrutinises performance measures and reports these on their website in a manner that is both timely and accessible to stakeholders. This will allow the board to determine whether or not the vision and mission of the region or the college are being fulfilled and that the interests of stakeholders are being met.

- A.8 The board (except in the case of assigned college boards) is responsible for overseeing the negotiation of its outcome agreement with SFC, to meet the needs of the college or region and make best use of available funding, consistent with national strategy. The board must ensure effective engagement with all relevant stakeholders in the development of its outcome agreement and monitor performance in achieving the agreed outcomes.
- A.9 The roles and responsibilities of the boards of assigned colleges should be undertaken in the context of the roles and responsibilities of their regional strategic body. Assigned college boards must contribute constructively to the development of the outcome agreement led in its region by the regional strategic body and support the regional strategic body to monitor performance in achieving the agreed outcomes.

#### **Corporate Social Responsibility**

- A.10 The board must demonstrate high levels of corporate social responsibility by ensuring it behaves ethically and contributes to economic development while seeking to improve the quality of life of the local community, society at large and its workforce.
- A.11 The board must exercise its functions with a view to improving economic, cultural and social wellbeing in the locality of the college or region. It must have regard to social and economic needs and social inclusion.
- A.12 The board must provide leadership in equality and diversity.
- A.13 The board must seek to reflect in its membership, the make-up of the community through offering maximum opportunity of membership to a range of potential members and removing potential barriers to membership, in partnership with its regional strategic body, as appropriate.
- A.14 The board must appoint one of the non-executive members to be the senior independent member to provide a sounding board for the chair and to serve as an intermediary for the principal, other board members and the board secretary when necessary (see Annex 1 for the definition of 'non-executive'). The senior independent member should also be available where contact through the normal channels of chair, principal or secretary has failed to resolve an issue or for which such contact is inappropriate. Further information on the role of the senior independent member can be found in <u>The Guide for Board Members in the College Sector</u>.

#### Section B: Quality of the Student Experience

#### **Student Engagement**

- B.1 The board must have close regard to the voice of its students and the quality of the student experience should be central to all board decisions.
- B.2 The board must lead by example in relation to openness, by ensuring that there is meaningful on-going engagement and dialogue with students, the students' association and as appropriate staff and trade unions in relation to the quality of the student experience. Consultation is essential where significant changes are being proposed.
- B.3 The board must consider the outcome of student surveys and other student engagements, and monitor action plans that could impact on the quality of the student experience.
- B.4 The college board must have regard to the <u>Framework for the Development of Strong</u> <u>and Effective College Students' Associations in Scotland</u>. It must put in place robust partnership procedures (e.g. partnership agreement) to work together to achieve change and which are supported by regular and open communications.
- B.5 The college board must encourage a strong and autonomous students' association and ensure that the students' association is adequately resourced.
- B.6 The college board must ensure that the students' association operates in a fair and democratic manner and fulfils its responsibilities.
- B.7 The college board must review the written constitution of its students' association at least every five years.

#### **Relevant and High Quality Learning**

B.8 The board must seek to secure coherent provision for students, having regard to other provision in the region or college's locality. The board must be aware of external local, national and international bodies and their impact on the quality of the student experience, including community planning partners, employers, skills development and enterprise agencies and employer bodies. The board must seek to foster good relationships and ensure that the body works in partnership with external bodies to enhance the student experience, including employability and the relevance of learning to industry needs.

#### **Quality Monitoring and Oversight**

B.9 The board must ensure appropriate mechanisms are in place for the effective oversight of the quality and inclusivity of the learning experience in the college or region. The board must ensure that the college works in partnership with sector quality agencies and other appropriate bodies to support and promote quality enhancement and high quality services for students.

#### Section C: Accountability

#### Accountability and Delegation

- C.1 The board is primarily accountable to its main funder, either SFC or its regional strategic body. Through the chain of funding, the body is ultimately responsible to the Scottish Ministers who are accountable to the Scottish Parliament.
- C.2 The board must ensure delivery of its outcome agreement or in the case of an assigned college, its agreed contribution to the region's outcome agreement.
- C.3 The board must ensure it fulfils its statutory duties and other obligations on it, and that the terms and conditions of its grant are being met.
- C.4 Scottish Ministers have powers to remove by order any or all board members of an incorporated college (except the principal) or a regional board for serious or repeated breaches of a term and condition of grant.
- C.5 The board also has a wider accountability to a range of stakeholders including students (both current and prospective), its staff, the wider public, employers and the community it serves, for the provision high quality education that improves people's life chances and social and economic well-being.
- C.6 Incorporated colleges and regional boards must maintain and publicly disclose a current register of interests for all board members. Board members should declare any conflicts of interest in the business of the meeting prior to the commencement of each meeting of the board and its committees and withdraw from meetings as appropriate.
- C.7 The board must ensure that its decision-making processes are transparent, properly informed, rigorous and timely, and that appropriate and effective systems of financial and operational control, quality, management of staff, risk assessment and management are established, monitored, continuously improved and appropriately impact assessed. This includes:
  - a) the prompt production, dissemination and online publication of board/committee agendas, minutes and papers to the public
  - b) every board meeting and every committee meeting having a well-structured agenda circulated timeously in advance
  - c) the retention of all key documentation which help justify the decisions made by the board and its committees.
- C.8 The board may delegate responsibilities to committees for the effective conduct of board business. As a minimum the committees required are Audit, Remuneration, Finance and Nominations/Appointments. Delegation of responsibilities from and matters reserved to the board and its committees must be set out in a scheme of delegation including the functions delegated by the board to the chair, committees, the principal and the board secretary (and any other members of staff). Incorporated college boards and regional boards have no powers to delegate functions to an individual board member (except the chair who has no authority to act outwith their delegated powers).

- C.9 The board must ensure every board committee has a specified member of the management team to provide objective, specialist advice to support it to discharge its remit, including by explaining in an accessible way the matters under discussion and the possible implications of different options.
- C.10 The board must consider and have in place procedures to ensure effective working relationships and constructive dialogue amongst the board as a whole and ensure there are effective reporting and two way communications between committees and the board. The board must ensure that discussions and decisions of every committee are accurately recorded and reported to the board, no later than the next meeting of the board.

#### **Risk Management**

- C.11 The board of a college or a regional body is responsible for the overall management of risk and opportunity. It must set the risk appetite of the body and ensure there is an appropriate balance between risk and opportunity and that this is communicated via the principal to the body's management team.
- C.12 The board must ensure that sound risk management and internal control systems are in place and maintained. It must ensure there is a formal on-going process for identifying, reporting, evaluating and managing the body's significant risks and review the effectiveness of risk management, business continuity planning and internal control systems.

#### Audit Committee

- C.13 The Audit Committee must support the board and the principal by reviewing the comprehensiveness, reliability and integrity of assurances including the body's governance, risk management and internal control framework.
- C.14 The scope of the Audit Committee's work must be defined in its terms of reference and encompass all of the assurance needs of the board and the principal. The Audit Committee must have particular engagement with internal and external audit, and must work with management and auditors to resolve any issues in relation to financial reporting.
- C.15 The Audit Committee must promptly pursue recommendations arising from audit reports and must monitor their implementation.
- C.16 The membership of the Audit Committee cannot include the board chair or the principal. The role of the college executive is to attend meetings at the invitation of the committee chair and to provide information for particular agenda items.
- C.17 The Audit Committee terms of reference must provide for the committee to sit privately without any non-members present for all or part of a meeting if they so decide. The Audit Committee members should meet with the internal and external auditors without the executive team present at least annually.
- C.18 At least one member of the Audit Committee should have recent relevant financial or audit experience.

#### **Remuneration Committee**

- C.19 It essential that members of the Remuneration Committee understand their role and responsibilities. Members must undertake the online training module for Remuneration Committees provided by College Development Network within one month of appointment.
- C.20 The board must have a formal procedure in place for setting the remuneration of the principal by a designated committee of non-executive members. The board may wish to supplement this by taking evidence from a range of sources. In particular, staff and students should have a role in gathering and submitting evidence in relation to the college principal to the relevant committee.
- C.21 The board chair cannot be the chair of the Remuneration Committee (but they can be a member of it).

#### **Financial and Institutional Sustainability**

- C.22 The board is responsible for ensuring the financial and institutional sustainability of the body. The board must ensure compliance with its Financial Memorandum (either with SFC or the regional strategic body, depending on which is funding it), including in relation to incorporated colleges and regional boards, relevant aspects of the Scottish Public Finance Manual.
- C.23 The board must ensure that:
  - funds are used as economically, efficiently and effectively as possible
  - effective monitoring arrangements are in place
  - college staff report relevant financial matters to it.
- C.24 For colleges that are charitable organisations, board members are also charity trustees. The board of a college that is a charity must ensure its members are aware of their responsibilities under charity legislation and for complying with relevant provisions as set out by the Office of the Scottish Charity Regulator. See <u>OSCR Guidance and Good Practice for Charity Trustees</u>.

#### Staff Governance

- C.25 The college board as the employer, is responsible for promoting positive employee relations and for ensuring effective partnership between recognised trade unions and management.
- C.26 The board must have a system of corporate accountability in place for the fair and effective management of all staff, to ensure all legal obligations are met and all policies and agreements are implemented and identify areas that require improvement and to develop action plans to address them.
- C.27 The board must comply with the nationally agreed college sector <u>Staff Governance</u> <u>Standard</u>.
- C.28 The college board must comply with collective agreements placed on it through national collective bargaining for colleges.

#### **Section D: Effectiveness**

#### The Board Chair

- D.1 The chair is responsible for leadership of the board and ensuring its effectiveness in all aspects of its role. The chair is responsible for setting the board's agenda and ensuring that adequate time is available for discussion of all agenda items, particularly strategic issues. The chair must promote a culture of openness and debate by:
  - encouraging the effective contribution of all board members
  - fostering constructive challenge and support to the principal, executive team and fellow board members
  - effective team-working
  - positive relations between board members.

The chair must engage with the principal and the board secretary in a manner which is both constructive and effective.

D.2 The board and its committees must have the appropriate balance of skills, experience, independence and knowledge of the body to enable them to discharge their respective duties and responsibilities effectively.

#### **Board Members**

- D.3 Each board member is collectively responsible and accountable for all board decisions. Board members must make decisions in the best interests of the college and/or region as a whole rather than selectively or in the interests of a particular group.
- D.4 Staff and student board members are full board members and bring essential and unique, skills, knowledge and experience to the board. Staff and student board members must not be excluded from board business unless there is a clear conflict of interest, in common with all board members.
- D.5 Where the college is a charity, all board members, as charity trustees, including staff and student board members, have legal duties and responsibilities under the Charities Act 2005. This includes registering any personal interests that could be seen as conflicting with the interests of the body. The 'objective test' for judging if there is a conflict of interest is:

"... whether a member of the public, with knowledge of the relevant facts, would reasonably regard the interest as so significant that it is likely to prejudice your decision making in your role as a member of a public body".

#### Principal and Chief Executive

- D.6 The college board must appoint the principal as chief executive of the college, securing approval for the appointment and terms and conditions of the appointment from the regional strategic body if necessary.
- D.7 The college board must ensure there is an open and transparent recruitment process for the appointment. Students and staff must have an opportunity to contribute to the recruitment process.

- D.8 The college board must delegate to the principal, as chief executive, authority for the academic, corporate, financial, estate and human resource management of the college, and must ensure the establishment of such management functions are undertaken by and under the authority of the principal.
- D.9 The college board must ensure a clear process is in place to set and agree personal performance measures for the principal. This process should seek the views of students and staff. The chair, on behalf of the board, should monitor, review and record the principal's performance, at least annually, against the agreed performance measures.
- D.10 The principal, as a board member, shares responsibility for good governance with the chair and all other members of the board, supported by the board secretary. The principal also enables good governance through supporting effective communication and interaction between the body and the rest of the college including staff and students.
- D.11 The board provides strategic direction for the region and/or college, and the chair provides leadership to the board. The principal provides leadership to the staff of the body.
- D.12 The board must provide a constructive challenge to the principal and executive team and hold them to account.

#### **Board Secretary**

- D.13 The board as a whole must appoint a board secretary who is responsible to it and reports directly to the chair in their board secretary capacity. The board secretary may be a member of the senior management team in their board secretary capacity, but they cannot hold any other senior management team position at the same time. The appointment and removal of the board secretary is a decision of the board as a whole.
- D.14 All board members must have access to the board secretary who has an important governance role in advising the board, the committees and individual board members and supporting good governance. The distinctive board secretary role includes:
  - facilitating good governance and advising board members on:
    - the proper exercise of their powers, including in relation to relevant legislation
    - the board's compliance with its Financial Memorandum, the Good Governance Code, its Standing Orders and Scheme of Delegation
    - their behaviour and conduct in relation to the board's Code of Conduct.
  - providing clear advice to the chair and the board/committees on any concerns the board secretary may have that board members have not been given:
    - sufficient information
    - information in an appropriate form
    - sufficient time to monitor, scrutinise or make informed and rigorous decisions in an open and transparent way.
  - attending and providing support to every board meeting and every meeting of every board committee. Where the board secretary is unable to attend, while the board secretary retains overall responsibility, proper arrangements must be made to cover the role with a person who is fully able to discharge the role effectively.

- having an unambiguous right to speak at board and committee meetings to convey any concerns they may have about governance. This extends to someone substituting for the board secretary.
- reporting any unresolved concerns about the governance of the body to the relevant funding body (i.e. SFC or the regional strategic body).

D.15 The board must ensure the board secretary:

- has suitable skills, knowledge and behaviours to carry out their role effectively
- receives appropriate induction, and if new to the role, is mentored by a more experienced board secretary for at least their first year
- has adequate time and resources available to undertake their role effectively.
- D.16 The board must ensure arrangements are in place to deal with a board secretary's potential or real conflicts of interest.

#### **Board Member Appointment, Induction and Training**

- D.17 For boards with responsibility for board appointments, the board must ensure a formal and open procedure is in place for recruiting and selecting new non-executive board members. Boards must have regard to all relevant Ministerial Guidance on board appointments.
- D.18 The board is responsible for ensuring appropriate arrangements are in place for the conduct of student elections and nominations, and elections of staff members to the board.
- D.19 The chair must ensure that new board members receive a formal induction on joining the board, tailored in accordance with their individual and collective needs. The board secretary should support the chair in the provision of relevant induction for new board members.
- D.20 The board must ensure all board members undertake appropriate training and development in respect of their governance role. The board secretary should support the chair in the provision of relevant training and development opportunities for board members, which should be tailored to meet board members skills and needs. The board secretary must keep records of the development activity of board members, including the chair.
- D.21 The board must ensure that new committee members receive a committee induction and have their specific training needs assessed and met.

#### **Board Evaluation**

- D.22 Extension of the term of office of board appointments requires evidence and the board must ensure appropriate mechanisms are in place to support this.
- D.23 The board must keep its effectiveness under annual review and have in place a robust self-evaluation process. There should also be an externally facilitated evaluation of its effectiveness at least every three years. The board must send its self-evaluation (including an externally facilitated evaluation) and board development plan (including progress on previous year's plan) to its funding body and publish them online.

- D.24 The board must agree a process for evaluating the effectiveness of the board chair and the committee chairs. The evaluation of the board chair should normally be led by the vice-chair/senior independent member.
- D.25 The board must ensure all board members are subject to appraisal of their performance, conducted at least annually, normally by the chair of the board.
- D.26 The performance of regional college chairs will also be evaluated by the Scottish Government, as regional college chairs are appointed by the Scottish Ministers and are personally accountable to them.
- D.27 The performance of assigned, incorporated college chairs will also be evaluated by the regional strategic body, as they are appointed by the regional strategic body and are personally accountable to them.

#### Section E: Relationships and Collaboration

#### **Partnership Working**

- E.1 The board must work in partnership to secure the coherent provision of high quality fundable further and higher education in their localities.
- E.2 The board must ensure effective consultation, local and regional planning and must follow the principles of effective collaborative working: mutual respect, trust and working towards commonly agreed outcomes.
- E.3 The board must ensure effective partnership working with local and national bodies including businesses, public and third sector organisations to develop commonly agreed priorities following the principles of effective collaborative working.
- E.4 The board must encourage and support effective partnership working and collaboration within and across regions to address local needs and meet national priorities and specialisms.

#### Annex 1

#### **References and Definitions**

- "college" means a college funded by either SFC or a regional strategic body.
- "incorporated college" means a college with a board of management under part 1 of the Further and Higher Education (Scotland) Act 1992.
- "assigned college" means a college assigned to a regional strategic body.
- "regional board" means a regional strategic body that has no other functions. There is one regional board Glasgow Colleges' Regional Board.
- "board" means the governing body of the college or to the regional strategic body.
- "body" means the organisation in question, i.e. a college or regional strategic body.
- "**principal**" include where appropriate in the context, the chief officer or equivalent person of a regional strategic body.
- **'non-executive'** means a member who is not the chair and who does not otherwise hold a specific position on the board i.e. is not a student or staff member; and in the case of a college board, is not the principal; and in the case of a regional board is not the chair of an assigned college.
- In the context of the regional strategic body in the Highlands and Islands, the board means either the Court of the University of the Highlands and Islands (UHI) or the UHI Further Education Regional Board (FERB):
  - The FERB has fully delegated authority from the UHI Court for FE objectives, outcome agreement, curriculum and finance.
  - The FERB consists of the college chairs, two independents, plus nominees
  - The college principals meet as a FE Executive Board.
- New College Lanarkshire is the designated regional college and regional strategic body with South Lanarkshire College as an assigned college.
- Glasgow Colleges' Regional Board; this is the only part of Scotland with a regional strategic body which has been established as an organisation with only this role.



# Perth College UHI Externally Facilitated Effectiveness Review May 2020

Final Report 25 May 2020



Candy Munro Candy.munro@btinternet.com W: www.cdn.ac.uk

# Perth College UHI

**Externally Facilitated Effectiveness Review** 

# **Contents**

- 1. Introduction
- 2. Executive Summary
- 3. Effectiveness Review against the Code for Good Governance in Scotland's Colleges
- 4. Recommendations

Annex 1 Document Review

## 1. Introduction

#### Background

The Code of Good Governance for Scotland's Colleges (the Code) sets out the principles of good governance for colleges in Scotland. All colleges that receive funding from the Scottish Funding Council or a regional strategic body must comply with the Code as a condition of grant. Each board must state its adoption of the Code in its corporate governance statement contained within its annual financial statement.

The five principles set out in the Code provide a framework within which colleges are expected to develop their own policies and procedures.

The Code states that the board must have in place a robust self-evaluation process,

'The board must keep its effectiveness under annual review and have in place a robust self-evaluation process. There should also be an externally facilitated evaluation of its effectiveness every three years.'

The Guide for Board Members in the College Sector and the Board Development Framework provide additional guidance for board members and board secretaries.

This externally facilitated effectiveness review was undertaken against the 2016 Code of Good Governance for Scotland's Colleges.

At the request of the Chair the scope for the review was widened to cover broader governance considerations. This was in response to issues highlighted in recent events and reports including,

- University of the Highlands and Islands Internal Audit Service report 'Perth College UHI Investigation of Allegations Reported to Audit Scotland'
- Perth College Annual Audit Report by Ernst and Young
- Financial Statements for the year ending 31 July 2019

The purpose of this broader governance review is not to repeat the findings of the above reports, the aim is to

- review how the board has reacted to the recent events
- consider the impact on board interactions and behaviours and implications for future governance arrangements
- identify the learning points that have resulted from these events and make recommendations

#### Methodology

The effectiveness review included several stages aimed at building up an overview of the board's effectiveness. This comprised,

#### Phase 1

- Initial meeting with the Chair, Principal and Board Secretary to agree the scope of the review and the project plan
- Observation of the March 18<sup>th</sup> board meeting
- Board survey to seek members views on governance arrangements
- Desk research to review governance documentation and key reports, including the 2017 External Effectiveness Review and recent audit reports
- Phase 1 interviews with a selection of board members and executive team to explore the boards response to recent events and compliance against the requirements of the Code for Good Governance

#### Phase 2

• Interviews with the remainder of the board members and executive team to 'pressure test' the findings of Phase 1

## 2. Executive Summary

It is encouraging to note that there has been a high level of consensus across the evidence gathered, with broad agreement on the key issues and areas to be addressed.

This is a relatively young board with respect to length of service, however the board demonstrates effective team working, and members recognise and respect the skills, experience, and contribution of fellow board members.

The Perth College board, individually and collectively, has taken recent events seriously and is committed to making improvements.

The board has demonstrated great resilience and has taken a mature and pragmatic approach to issues raised. Recent events have been viewed as a positive catalyst for change.

One outcome is a greater appreciation of the importance of scrutiny, and members have demonstrated a greater willingness to question and to have the difficult discussions. However, there is a risk that board discussions could go too far into operational issues, it is important that the focus remains on strategic direction.

There is a culture where every board member feels able to query, challenge, discuss and seek reassurance, and board members generally feel that they have contributed to making improvements.

The Chair is clear about his role, has an inclusive approach, seeking contributions from all members, and works to reach consensus. Members feel that the chair is accessible and open to feedback.

The student experience is genuinely at the centre of board decision making. This is explicit and evident in strategic decision making.

The board sub-committees have clearly defined authorities and appropriate skills and experience to serve specific committees. Any issues that cannot be dealt with at committee level are raised to Board level and usually resolved in a balanced and collegiate way. There is a high level of trust between the board and committees, and the board has confidence in the work undertaken at committee level.

The period since the last External Effectiveness Review in 2017 has been one of significant change, including the appointment of a new Chair and new Principal, and a restructured SMT. Also, most board members have joined post March 2017. These have been challenging times for all involved but seems to have resulted in a more constructive culture where the relationship between the board and the executive is more balanced, honest, and effective.

The combined audit action plan is a key document in delivering improvements, although it is recognised that this is currently a work in progress. The recommendations made in this report are in addition to those in the combined audit plan.

The effectiveness review has highlighted several areas where improvements would enable more effective decision making, these are described in more detail later in this report, but these include,

- Reviewing the level of detail provided to the board and getting the right balance between operational and strategic discussion. There is a risk that lengthy agendas, long meetings and a large volume of board papers could compromise effective decision making. The board should consider if more be delegated to committees
- Ensuring that Is there a robust performance framework in place with a set of integrated KPIs which are monitored
- Providing enough information on ScotGov and SFC priorities to support effective decision making

In addition, the corporate governance statement contained in the annual financial statements reported on some areas of non-compliance with the Code of Good Governance for Scotland's Colleges. These have been addressed and the college expected to be fully compliant by March 2020.

Finally, the Governance Manual, which was last updated in 2016 needs to be updated as a matter of urgency, this is being addressed by the board secretary.

• **Recommendation:** Consideration should be given to setting quorum at 50% or higher and ensuring that the majority in any decision making are non-executive members.

# 3. Effectiveness Review

### 3.1 Leadership and Strategy

Board members feel that they effectively contribute to determining the vision, direction and values of the college. The full day and evening development sessions, which are in addition to board meetings, offer a valuable opportunity for board members to discuss key issues. These sessions support strategic discussion and planning while also encouraging teamwork.

However, the understanding of Scottish Government and SFC priorities and how the college contributes to these priorities could be improved.

• **Recommendation**: Members would benefit from brief 'policy digests' summarising the current policy agenda to support decision making.

A requirement of the Code is that the board must ensure that a comprehensive performance system is in place which identifies key performance indicators. Although much work has been invested in this area there is a view that the current performance management framework is still too large and impractical, making it difficult for members to engage effectively with the KPIs presented. Sections of the balanced scorecard have still to be fully populated. The board and SMT agree that this is an area that requires further work.

• **Recommendation:** Continue the work on refining the performance management framework and the identification of an integrated set of set of KPIs which will ensure that all areas of strategic importance to the college are being monitored.

This is a diverse board with an effective mix of skills and experience and broad representation from local stakeholders. It is important to members that this diversity and breadth of representation is maintained when it comes to the recruitment of new members this year.

### 3.2 Quality of the Student Experience

The quality of the student experience is genuinely at the centre of board decision making, and the board gives close regard to the student voice.

Student members sit on a range of subcommittees including Finance and General Purposes, Audit, Engagement and Academic Affairs.

Student members provide a written report for board meetings.

The college strives to provide coherent provision for students, the Evaluative Report and Enhancement Plan states

'Perth College UHI is one of the largest partners in the University of the Highlands and Islands (UHI), a unique tertiary institution and growing university. Our strategic aims drive forward the Highlands and Islands Regional Outcome Agreement as well as ensuring full participation in Perth and Kinross Single Outcome Agreement measures and Community Planning priorities. The College works in partnership with relevant local regional stakeholders to ensure the provision of relevant high-quality curriculum and sector engagement within the Regional Skills Assessment (RSA) area of Tayside, but also shares common overall goals with RSA of Highlands and Islands.'

### 3.3 Accountability

The Code of Good Governance for Scotland's Colleges states

The board must ensure that its decision-making processes are transparent, properly informed, rigorous and timely, and that appropriate and effective systems of financial and operational control, quality, management of staff, risk assessment and management are established, monitored, continuously improved and appropriately impact assessed.

There have been issues regarding financial reporting to the board, this was highlighted in the Annual Audit Report 2018/19 by EY. These issues have now been addressed by the SMT with the support of the board to ensure robust financial reports are provided in advance of committee and board meetings.

However, issues have been raised in relation to lengthy agendas, the large volume of board papers and the level of professional analysis provided to support board decision making, which seems to be inconsistent. There are risks that this could impact on member decision making.

Board papers need to be focussed and pitched at the appropriate level, and the narrative which supports board papers needs to provide a professional analysis of the contents of the report and not just a description.

### • Recommendations:

- Review the content, structure and length of board meeting agendas to ensure a clear focus on strategic decision making
- Provide an annual schedule of decisions and approvals for board and committee meetings so that members understand the cycle of decision making and know what papers to expect when
- Ensure a consistency in the 'front page' narrative to board and committee papers which effectively informs and supports board decision making
- Conduct a review on what, if anything, could be further delegated to committees, without overloading committee meeting agendas
- The final standing agenda item for board meetings is a review of the meeting, it would be helpful to add to this a review of the quality of the board papers.

The board sub-committees have clearly defined remits and well-balanced skills and experience to serve specific committees. Committees are effectively supported by members of the management team. Any issues that cannot be resolved at committee level are raised to board level and usually resolved in a balanced and collegiate way. There is a high level of trust in the work undertaken by the committees.

• **Recommendation:** Given the volume of committee minutes consideration should be given to committee chairs providing a written cover paper which, by exception, highlights the key issues for board members attention.

The Audit Committee reviews the risk register in detail before it goes to the board, and there is confidence that all risks are reflected. However, it is felt that the register could be more focussed with less detail on mitigations and management actions. This is a more operational issue rather than a governance issue.

### 3.4 Effectiveness

This is an effective board which has taken the recent events seriously and is committed to making improvements, and although significant progress has been made there is an appreciation that there is still work to be done.

Members understand collective responsibility and provide constructive challenge and support for the executive team, holding them to account.

The appointment of a new board secretary last year has had a positive impact.

New members receive induction training, which is kept under review, e.g. it has been agreed to strengthen the sections on conflicts of interest and the duties of a charity trustee. Members also have access to the CDN National Board Member Induction Workshops

The chair is effective and promotes a culture of openness and debate. He is clear about his role and encourages contributions from all board members. The chair promotes constructive challenge and support to the executive team.

The chair provides verbal updates on wider sectoral changes, and updates on UHI developments, however members would value this information in advance of board meetings so that they can review any key considerations.

• **Recommendation:** Board members would welcome a brief written report from the chair.

### 3.5 Relationship and Collaboration

The board understand the importance of collaborative working, and benefits from having broad representation from stakeholder organisations amongst their members.

# 4. Recommendations

- 1. When reviewing the Governance Manual, consideration should be given to setting quorum at 50% or higher and ensuring that the majority in any decision making are non-executive members
- 2. Regarding Scottish Government policy priorities members would benefit from brief 'policy digests' summarising the current policy agenda to support decision making
- 3. Continue the work on refining the performance management framework and the identification of an integrated set of set of KPIs which will ensure that all areas of strategic importance to the college are being monitored
- 4. Review the content, structure, and length of board meeting agendas to ensure a clear focus on strategic decision making
- 5. Provide an annual schedule of decisions and approvals for board and committee meetings so that members understand the cycle of decision making and know what papers to expect when
- 6. Ensure a consistency in the 'front page' narrative to board and committee papers which effectively informs and supports board decision making
- 7. Conduct a review on what, if anything, could be further delegated to committees, without overloading committee meeting agendas
- 8. The final standing agenda item for board meetings is a review of the meeting, it would be helpful to add to this a review of the quality of the board papers
- 9. Given the volume of committee minutes consideration should be given to committee chairs providing a written cover paper which, by exception, highlights the key issues for board members attention
- 10. Board members would welcome a written report from the chair.

# **Annex 1 Document Review**

The following documents were reviewed as part of the desk research

- Governance Manual 2016
- Committee Remits
- Financial Statements 2018/19
- External Audit Report 2018/19
- UHI Investigation Report
- Internal Audit Report 2018/19
- Internal Audit Plan 2019/20
- Audit Action Plan
- Board Papers for 18 March 2020 meeting
- Evaluative Report and Enhancement Plan
- Vision 2021 Strategic Plan 2016-21
- Perth College Externally Facilitated Effectiveness Review March 2017



# Perth College UHI

# Paper 14

_	
Committee	Board of Management
Subject	Schedule of Board Meetings 2020/21
Date of Committee meeting	10/06/2020
Author	Ian McCartney, Clerk to the Board
Date paper prepared	03/06/2020
Executive summary of the paper	Paper sets out the full-year calendar of Board and sub-Committee meetings, incorporating dates for key business and compliance matters.
	Paper advises key assumptions behind proposals.
Consultation	SMT, Chair of Board
How has consultation with partners been carried out?	
Action requested	For information only
	□ For discussion
	□ For recommendation
	⊠ For approval
Resource implications	No
(If yes, please provide details)	
Risk implications	No
(If yes, please provide details)	Click or tap here to enter text.



# Perth College UHI

Link with strategy	No
Please highlight how the paper links to the Strategic Plan, or assist with:	
<ul> <li>Compliance</li> <li>National Student Survey</li> <li>partnership services</li> <li>risk management</li> <li>other activity [e.g. new opportunity] – please provide further information</li> </ul>	
Equality and diversity	No
Yes/ No	
If yes, please give details:	
Island communities	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 If yes, please give details: Click or tap here to enter text.
Does this activity/ proposal have an effect on an island community which is significantly different from its effect on other communities (including other island	If yes, please give details:
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)?	If yes, please give details: Click or tap here to enter text.



### Perth College UHI

Freedom of information	Open business
Can this paper be included in "open" business?*	

\* 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



### Perth College Board of Management – DRAFT Schedule of Meetings 2020/2021

Committee	ee Cycle 1			Cycle 2		Cycle 3		Cycle 4	
	Date Business &		Date Business &		Date Business &		Date	Business &	
		Compliance		Compliance		Compliance		Compliance	
Engagement	Thu 27 Aug	Partnership Agreement; HISA Plan of Work	Tue 03 Nov	National Student Survey; Student Satisfaction and Engagement Survey; Postgraduate Taught Experience Survey	Thu 28 Jan	Induction Early Experience Survey	Thu 22 Apr		
Academic Affairs	Wed 02 Sep	Additional Meeting re COVID 19 impacts & responses	Wed 11 Nov	Student Satisfaction and Engagement Survey; National Student Survey	Wed 03 Feb	Induction Early Experience Survey; Student Retention & Attainment Report/SFC Benchmark Report on KPIs	Wed 28 Apr	Student Destinations; Student Recruitment Targets	

Committee	Cycle 1		Cycle 2		Cycle 3		Cycle 4	
	Date	Business & Compliance	Date	Business & Compliance	Date	Business & Compliance	Date	Business & Compliance
F&GP	Mon 21 Sep	Full Year Management Accounts;	Mon 30 Nov NB: JOINT MEETING	Draft Annual Financial Statements; Draft External Audit Annual Report	Tue 02 Mar	Draft Mid-Year Review	Mon 24 May	Budget & Financial Forecast Return
Audit	Mon 28 Sep	Annual H&S Report; Review compliance against Governance Code to allow preparation of Certificates of Assurance	Mon 30 Nov	Draft Annual Financial Statements; Draft External Audit Annual Report; Draft Internal Audit Annual Report; Draft Audit Committee Report to Board	Thu 11 Mar		Mon 31 May	Internal Audit Annual Plan; External Audit Annual Plan

Committee	Cycle 1		Cycle 2		Cycle 3			Cycle 4	
	Date	Business & Compliance	Date	Business & Compliance	Date	Business & Compliance	Date	Business & Compliance	
Chairs & Remuneration	Wed 09 Sep	Membership Review; Principal's Objectives	Mon 16 Nov		Thu 11 Feb		Wed 05 May		
AST	Thu 24 Sep	Full Year Management Accounts;	Tue 24 Nov	Draft AST Annual Accounts;	Thu 25 Feb		Thu 20 May	AST Business Plan	
Board of Management	Thu 08 Oct	Approve Budget & Financial Forecast Return; Summary of Policies & Procedures due for Review	Mon 14 Dec	Approve Annual Accounts; Approve External Audit Annual Report; Approve Internal Audit Annual Report; Approve Audit Committee Report to Board	Wed 24 Mar	Approve Mid- Year Review	Thu 10 June	Approve AST Business Plan; Approve Indicative Budget & FFR	

#### Key Assumptions:

- All F&GP & AST meetings to take place at least one week after production of quarterly Management Accounts to ensure that most up-to-date information is available for scrutiny
- F&GP to precede Audit during each cycle in case issues raised at F&GP require to be flagged
- Multiple Board-level committees within same week to be avoided wherever possible within schedules:

#### **Standard Business Items**

The following business will be tabled for consideration at appropriate Board and/or Board sub-Committee meetings as a matter of course:

- Updates on Financial Position;
- Strategic Risk Register
- Progress on KPIs (Balanced Scorecard)
- Approval of Policy & Procedures

#### **Dates for Noting:**

- September 07 2020 Commencement of Semester 1
- October 12-16 2020 Autumn Recess
- December 23 2020 Christmas/New Year Recess
- April 5 16 2021 Easter Recess
- June 4 2021 Semester 2 Finishes