

Board of Management

Minutes

Meeting reference: Board 2019-20/04

Date and time: Wednesday 10 June 2020 at 5.30pm

Location: Online

Members present: Brian Crichton, Board Member (Chair)
Andrew Comrie, Board Member
Sheena Devlin, Board Member (until Item 11)
Sharon Hammell, Board Member
Katrina Hodgson, Board Member
Debbie Hutchison, Board Member
Ann Irvine, Board Member
David Littlejohn, Board Member
Craig Ritchie, Board Member
Charlie Shentall, Board Member
Margaret Cook, Principal & Chief Executive
John Dare, Staff Board Member
Debbie Das Chaudhury, Student Board Member

In attendance: Lorenz Cairns, Depute Principal (Academic)
Catherine Etri, Associate Principal (Curriculum)
Veronica Lynch, Vice Principal (External)
Graham Little, Interim Head of Finance
Ian McCartney, Clerk to the Board of Management
Candy Munro, External Effectiveness Reviewer (Item 17)

Apologies: Amy Studders, HISA Perth President

Observing: Alex Wilson, HISA Perth President-Elect
Michaela Asisten, HISA Perth VP Activities & Welfare-Elect
Cameron Murray, HISA Perth VP Education & Engagement-Elect

Chair: **Brian Crichton**

Minute Taker: Ian McCartney

Quorum: 6

Summary of Action Items			
Ref	Action	Responsibility	Time Line
5	Matters Arising from Previous Minutes <u>24.6 Audit Committee – 10 March 2020</u> 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	ASAP
7	UHI Investigation Report Chair to circulate progress report re UHI Audit Committee to Board in due course	Chair	ASAP
8	Management Accounts to 30 April 2020 Staff Board Member requested a summary of key items noted by Interim Head of Finance within Executive Summary.	Interim Head of Finance	Next report of Management Accounts
10	Perth College Indicative Budget 2020/21 SMT to provide a full Budget position with options to achieve a balanced budget at the next Board meeting.	SMT	July Board
11	Air Service Training Business Plan 2020/21 Concerns raised at this Board meeting to be addressed and communicated to the July Board meeting, and any major changes indicated prior to the Board meeting	AST Chair/ Vice Principal	July Board
17	Board Effectiveness Review Chair, SMT and Clerk to generate action plan with appropriate timings to ensure recommendations are adopted	Chair/SMT/ Clerk	Next Board Cycle
18	Board Recruitment Clerk to add item to next Agenda re issues surrounding BAME and recruitment	Clerk	July Board
19	Calendar of Meetings 2020/21 Clerk to provide further clarification re timing of Chairs Committee over summer period and within Board Cycle 1	Clerk	ASAP
21	Review of Meeting Chair and Clerk review methods of Board working over the summer to ensure that decisions are made at the most appropriate level	Chair/Clerk	Next Board Cycle

MINUTES

Item		Action
1.	Welcome and Apologies The Chair welcomed everyone to the meeting, and welcomed the new HISA Perth executive, who were observing meeting as part of their induction process.	
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. Katrina Hodgson noted for record that a close family member will be attending Perth College from September 2020.	
4.	Minutes of Board Meeting held on 18 March 2020 The minutes were approved as an accurate 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	
	<u>Matters Arising from Board Meeting of 10 June 2020</u> <u>8 UHI Investigation Report</u> Action: Chair to circulate output from meeting with UHI to the Board as soon as available Action Update: Completed. See Item 7 <u>10 Management Accounts</u> Action 1: Vice Principal to amend phasing issues re International Business Action Update: Completed Action 2: Analysis of likely deficit position based on likely impacts of Coronavirus to be undertaken for next Board meeting	

	<p>Action Update: Completed</p> <p><u>12 Financial Forecast Review</u></p> <p>Action: Guidance to be sought from External Auditors, Colleges Scotland and UHI re providing balanced budget figure</p> <p>Action Update: Completed</p> <p><u>13 Chair's Report</u></p> <p>Action: Chair to provide written reports prior to future meetings</p> <p>Action Update: Completed</p> <p><u>16 Consultation Process</u></p> <p>Action: Principal to check whether legal advice had been reported to Board previously and circulate if required</p> <p>Action Update: Completed</p> <p><u>17 Strategic Risk Register</u></p> <p>Action: Clerk to review Register around Coronavirus and update</p> <p>Action Update: Completed</p> <p><u>24.6 Audit Committee – 10 March 2020</u></p> <p>Action: 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</p> <p>Action Update: Work in progress – carry forward</p>	SMT
	Audits & Financial Reporting	
6	<p>Audit Action Plan</p> <p>Vice Principal presented Paper 2 comprising the Audit Action Plan, which had previously been tabled at Audit Committee, and drew Board's attention to the Summary of current pages which provides breakdowns by various categorisations, noting the additional measures provided for prioritisations, capacity and level of completion.</p> <p>Chair thanked those involved in compiling for the summarisation and overview. Other Board Members echoed thanks, noting that Plan</p>	

	<p>was well thought-out and provides a feeling of confidence that progress is being made in the right areas.</p> <p>Chair of Audit advised that a thorough discussion had taken place at the last Audit Committee meeting and confirmed comfort of progress being made, and reported no items of substance with regard to non-delivery.</p> <p>Staff Board Member asked about the financial plan regarding the Aviation Academy for Scotland. Principal noted that there was strong indication of Government commitment to Cities Deals, a position backed Board Member who expected signing off of the Deals over the summer. Chair advised that College would need to look at hard business case for project given current issues affecting aviation industry.</p>	
7	<p>UHI Investigation Report - Update</p> <p>Chair presented Paper for discussion, noting the meeting between the Board and representatives of UHI Court scheduled for 16 June.</p> <p>Principal noted that work with UHI was continuing re updated action plans, and may have finished non-COVID actions prior to meeting. No feedback had been received from UHI Audit Committee. Chair will circulate progress report to Board in due course.</p> <p>Chair of Audit expressed concern re limited consultation with key players, including Chair of Audit, during process and would welcome clarification form UHI in this regard.</p> <p>Chair asked Board Members to submit any items for discussion prior to meeting.</p>	Chair
8	<p>Management Accounts – 9 months to 30 April 2020</p> <p>Interim Head of Finance presented Paper 4, noting that the College is reporting a positive variance against budget of £306k, and highlighting in particular that this was due in part to an HMRC settlement being lower than expected, and that premises costs are expected to catch up to budget levels due to maintenance delayed by COVID-19 being brought back on stream.</p> <p>Principal clarified that capital spend had been encouraged by SFC to prepare for post-COVID adjustments in teaching and learning areas, and student residences. Tendering processes were under way for this work.</p> <p>Staff Board Member requested a summary of key items noted by Interim Head of Finance within Executive Summary. Interim Head of Finance to action.</p>	Interim Head of Finance

9	<p>Perth College Mid-Year Return</p> <p>Interim Head of Finance provided Paper 5 for approval, highlighting that income levels are likely to be down by approx. £1m over the full year, which has been offset by a reduction in expenditure related to the Government Job Retention Scheme and other operating costs.</p> <p>Chair thanked Finance team for clear and concise paper. Board Member noted that the presentation was particularly helpful for non-finance experts.</p> <p>Board Member queried Section 1.34 noting “work with other budget holders”, clarifying if this had taken place. Interim Head of Finance confirmed that there had been clear engagement with budget holders during the budget process.</p> <p>Student Board Member expressed concern over impact of student experience under a deficit position. Principal noted that colleagues from across the Sector were meeting frequently with Ministers to look at how Colleges emerge from COVID without damaging the student experience. The key message emerging is that, while things will be different, there is still a need to maximise the positive impact for students.</p> <p>The Mid Year Return was APPROVED.</p>	
10	<p>Perth College Indicative Budget 2020/21 & Future Financial Forecast</p> <p>Vice Principal introduced Paper 6, noting that the Budget had been prepared around the context of COVID, and is based on assumptions received from SFC via UHI.</p> <p>Vice Principal noted a range of factors were affecting recruitment, delivery and progression, which were summarised within the Paper. Vice Principal further noted that it was assumed that 80% of international students would be based on campus, that 50% of off-campus revenues would be achieved, and that ASW revenues would reduce by 30%.</p> <p>Vice Principal advised that at 3% pay increase was assumed, although the negotiating positions of the Unions remained unclear. This area will be reviewed once further clarity is provided. Vice Principal further advised that no assumptions had been made regarding and extension to Job Retention arrangements.</p> <p>Vice Principal concluded by noting that the resultant Indicative Budget showed a £1,8m deficit, therefore savings would require to be made.</p> <p>Principal noted that SFC were still expecting balanced budgets to be</p>	

	<p>submitted, therefore savings areas would need to be provided for consideration at July Board meeting.</p> <p>Staff Board Member enquired about approached to Government on the issue. Principal noted that colleagues had been involved in various approaches, but there was clear message that no additional monies were being committed by Westminster meaning that no Barnett Consequentials are likely to be forthcoming. Chair indicated that the same message had been provided to Chairs across the Sector, and that the expectation was for fixes to come from within. Board Member echoed that this message had also been provided to Local Authorities.</p> <p>Board Member was concerned that the parameters for review were not clearly defined and that there are structural implications for FE and HE sectors.</p> <p>Chair suggested that stress testing be done now regarding income generators such as ASW and student residences to ensure targets are achievable in order to prepare for worst case scenario.</p> <p>Principal noted that the top-slice arrangements would amount to £5m. Chair added that Executive Office report was not completely clear on where the top-sliced monies were spent, and that clarification had been requested.</p> <p>Board NOTED the assumptions for the 2020/21 Indicative Budget for 2020/21 and the Future Financial Forecast for the period to 2024/25 and instructed SMT to provide a full Budget position with options to achieve a balanced budget at the next Board meeting.</p>	SMT
11	<p>Air Service Training – Business Plan 2020/21 & Financial Risk</p> <p>Chair of AST presented Paper 7, which outlined an indicative budget for 2020/21, based on current business assumptions and current financial pressures.</p> <p>Chair of AST noted that position presented assumes and August 2020 restart, and that capacity exists to ensure staff and students are able to get where the need to be by this date; if not, budget income figures may come under some pressure.</p> <p>Chair of AST advised Board that work was ongoing regarding AST cashflow position, which remains precarious, in order to meet Going Concern requirements, although this was eased somewhat last week by an early payment of circa £250k by a client.</p> <p>Chair asked whether current challenges were reflected in the AST Risk framework. Vice Principal confirmed that Risk was recognised, particularly in light of External Auditor's current inability to sign off 2018/19 accounts.</p>	

	<p>Chair requested analysis of “what-if” scenarios, eg knock on effect should Tay Cities Deal fall through, be delayed or focus of funding change. Vice Principal noted that a paper was being tabled at next AST Board regarding Going Concern that includes Aviation Academy.</p> <p>Board Member expressed concern that predicting a surplus in current circumstances seemed overly optimistic. Vice Principal advised that the paper provides a base plan for approval. Board Member noted that there was no clear justification provided for that base plan and how this was approved.</p> <p>Chair of AST advised that the AST General Manager was very well positioned to provide insight into likely scenarios for the company. Board Member was concerned that there are too many variables to provide that level of comfort.</p> <p>Chair of AST reiterated that priority was to provide Going Concern comfort to External Auditors and this budget provides a marker in a highly fluctuating environment.</p> <p>Board Chair, while recognising the amount of work that has taken place within AST, and accepting that the AST Board have considered that the scenario presented is the most plausible available, expressed discomfort at some of the projections making up the budget, and further noted that there are no mechanisms for a bale out of a subsidiary company from public monies.</p> <p>Chair of AST noted that the paper reads as sums of intentions therefore detailed analysis is not shown, and that the AST Board consider the budget to be fully justifiable. Board Member noted that it would be useful to see background information on assumptions to provide the same level of comfort that AST Board have.</p> <p>On the proviso that concerns raised at this Board meeting were addressed and communicated to the July Board meeting, and any major changes indicated prior to the Board meeting, the AST Indicative Budget 2020/21 was approved in principle.</p>	AST Chair/Vice Principal
12	<p>BACS Application Form</p> <p>Board approved and authorised the electronic signing of approval forms for BACS payments related to 6 College bank accounts.</p>	
	Standing Reports	
13	<p>Chair’s Report</p> <p>Chair presented Paper 9 for information, adding a summary of the impact of review of HE & FE, and future attendance at Special</p>	

	<p>Partnership meeting on 1st July.</p> <p>Chair recorded appreciation to all staff regarding response to COVID-19.</p> <p>Student Board Member asked about reference within report to concerns over financial sustainability. Chair noted a high level of involvement at Partnership level had led to a considered position of concern, however this is mitigated somewhat by the work of the Board and SMT to provide practical solutions to the challenges faced.</p>	
14	<p>Principal's Report</p> <p>Principal presented Paper 10 for information.</p> <p>Board Member asked about likely timescales for clarity of funding. Principal noted that this was still unclear, although Colleges Scotland had changed their position to what sector needs rather than holding out for previous assumptions.</p> <p>Board Member asked for an update on SQA. Associate Principal noted that most of guidance and progression for 2109/20 students had now been completed, although some may be deferred re practical demonstrations of competence, however no clarity over 2020/21 parameters has been received, and SQA have indicated this work will not start until next week.</p> <p>Board Member queried when Board will see report re UHI Assessment of Readiness. Principal noted that this exercise had started some weeks ago and was undertaken by Programme Leaders therefore no direct input by College other than specific individuals. Feedback indicates that most are hopeful about an HE solution, but there are concerns over some feasibility of some FE programmes, particularly as teaching staff are on summer vacation from next week.</p> <p>Student Board Member asked, in relation to previous point, which courses are likely to not be deemed feasible. Principal noted that, unless there is a very good reason not to, the expectation is that all programmes will be delivered, albeit via a mode yet to be determined. Associate Principal noted that, where a dispute over viability exists, the Tertiary Board will adopt a position.</p>	
15	<p>HISA Perth Report</p> <p>Student Board Member presented Paper 11 for information.</p> <p>Board Members commended the paper as a major step forward for HISA Perth, and also commended HISA Perth's commitment to student engagement during COVID.</p>	

	Board Member suggest that HISA Perth look to complete the circle by evaluating successes and failures as learning for next year's plan. Student Board Member advised that handover documents had been prepared with that goal in mind	
	Compliance, Risk & Performance Monitoring	
16	<p>Perth College Governance Manual</p> <p>Clerk presented Paper 12 for review and approval, and summarised key amendments made to the Governance Manual, in particular adopting or adapting where appropriate a standardised template used by a number of other Colleges across the Sector.</p> <p>Board Member requested that frequency of Disclosures be reviewed.</p> <p>Student Board Member requested that consistency was applied to use of HISA Perth throughout the document.</p> <p>A small number of minor layout and reference errors were also identified under review.</p> <p>Subject to changes noted to Clerk, the amended Governance Manual was APPROVED</p> <p>Principal and Chair expressed thanks to Clerk for undertaking this large piece of work.</p>	
	Board Development	
17	<p>Board Effectiveness Review - Report</p> <p>Candy Munro, External Facilitator presented the Board Effectiveness Review Report and summarised the main recommendations therein. Board were thanks for their honest and considered approach to the process, and a high level of consensus in key areas was recorded.</p> <p>Board received all recommendations without exception. Chair, SMT and Clerk were tasked with generating an action plan with appropriate timings to ensure the recommendations are adopted.</p>	Chair/SMT/ Clerk
18	<p>Board Recruitment - Update</p> <p>Chair verbally updated Board on current position of recruitment of new Board members, noting that, following a second round of advertising, a strong pool of applications had been received and 7 candidates had been short-listed for interview on 15 June.</p>	

	<p>In response to clarification over gender split of applicants and short-listed candidates, Staff Board Member queried whether any targeting of potential candidates with a BAME background had been done. It was recognised that, although Government requires Board to ensure an appropriate gender split, this is an area where steps should be taken.</p> <p>Following a brief discussion, it was AGREED that this should be explored more fully at a future Board meeting, and Clerk should add to next Agenda.</p>	Clerk
19	<p>Calendar of Meetings 2020/21</p> <p>Clerk presented calendar of meetings for 2020/21, noting that the calendar was now linked with key compliance/decisions to be made at appropriate committees.</p> <p>Further clarification was required re timing of Chairs Committee over summer period and within Board Cycle 1.</p>	Clerk
20	<p>Date & Time of Next Meeting</p> <p>An additional meeting of the Board has been scheduled for Monday 20 July 2020 @ 5:00pm</p>	
21	<p>Review of Meeting</p> <p>It was AGREED that, in light of recommendations from External Effectiveness Review, Chair and Clerk review methods of Board working over the summer to ensure that decisions are made at the most appropriate level and, where appropriate, not necessarily requiring approval within a Board meeting (eg approval by circulation).</p> <p>Members AGREED the meeting had covered Board business.</p> <p>Chair concluded by thanking outgoing HISA Perth Board Members for their contribution over the year, and to David Littlejohn for his 7 years of service to the Perth College Board.</p>	Chair/ Clerk

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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 ☒

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** ☐ **No** ☒