

# Board of Management

## Minutes

**Meeting reference:** Board 2019-20/02

**Date and time:** Tuesday 17 December 2019 at 5.30pm

**Location:** Room 019

**Members present:** Brian Crichton, Board Member (Chair)  
Sheena Devlin, Board Member  
Sharon Hammell, Board Member  
Debbie Hutchison, Board Member  
Lynn Oswald, Board Member  
Craig Ritchie, Board Member  
Charlie Shentall, Board Member  
Anna Zvarikova, Board Member  
Margaret Cook, Principal & Chief Executive  
John Dare, Staff Member  
Declan Gaughan, Staff Member  
Amy Studders, HISA Perth President  
Debbie Das Chaudhry, HISA Perth

**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:** David Littlejohn, Board Member (Vice-Chair)  
Andrew Comrie, Board Member  
Jim Crooks, Board Member  
Katrina Hodgson, Board Member  
Ann Irvine, Board Member

**Chair:** **Brian Crichton**

**Minute Taker:** Ian McCartney

**Quorum:** 6

Summary of Action Items			
Ref	Action	Responsibility	Time Line
8	<b>Chair's Report</b> Chair to circulate documentation re Programme Board consultation and collate Board responses	Chair	ASAP
12	<b>Strategic Risk Register</b> Clerk to add Asset Management to Risk Register	Clerk	Next Board cycle
12	<b>Strategic Risk Register</b> Risk 26 to be amended to include reference to Recruitment processes	Clerk	Next Board cycle
12	<b>Strategic Risk Register</b> Clerk to roll out plans to encourage sub-Committees to make Risk Register more relevant	Clerk	Next Board cycle
18	<b>Date &amp; Time of Next Meeting</b> Clerk to advise on date of Extraordinary Meeting of Board once determined	Clerk	ASAP

## **MINUTES**

<b>Item</b>		<b>Action</b>
<b>1.</b>	<b>Welcome and Apologies</b>  The Chair welcomed everyone to the meeting, and noted apologies from David Littlejohn, Andrew Comrie, Jim Crooks, and Ann Irvine.	
<b>2.</b>	<b>Additions to the Agenda</b>  There were no additions to the agenda.	
<b>3.</b>	<b>Declaration of Interest in any Agenda Item</b>  There were no declarations of interest.	
<b>4.</b>	<b>Minutes of Meeting held on 09 October 2019</b>  Board Member noted 3 typographical errors.  Subject to these corrections, the minutes were approved as a correct record.	
<b>5.</b>	<b>Matters Arising from Previous Minutes</b>	
	<u>5 Actions Arising from Meeting on 09 October 2019</u>  <b>Action 1:</b> Board Effectiveness – Clerk to organise session on action planning at next Board Development event.  <b>Action Update:</b> Not completed.  <b>Action 2:</b> College Governance – Strengthen section on conflicts of interest and charity trustees’ responsibilities at Board Induction.  <b>Action Update:</b> Clerk to organise within next round of inductions.  <b>Action 3:</b> Chair’s Report – Update Board with Employers’ Association consideration of national approach to Principal/SMT posts.  <b>Action Update:</b> Contained within Report.  <u>9 Indicative Budget 2019-20</u>  <b>Action:</b> Vice Principal to present negative figures in parenthesis.  <b>Action Update:</b> Completed	

	<p><u>11 Programme Board</u></p> <p><b>Action:</b> Chair to circulate draft response for comment the re-issue.</p> <p><b>Action Update:</b> Circulated 16/12/19.</p> <p><u>12 Tay Cities Deal – Aviation Academy for Scotland</u></p> <p><b>Action:</b> Vice Principal to include risk associated with over-run costs re capital build within the project risk register.</p> <p><b>Action Update:</b> Completed.</p> <p><u>16.3 Audit Committee</u></p> <p><b>Action:</b> Clerk to examine best practice across sector re Board cognisance of Health &amp; Safety matters</p> <p><b>Action Update:</b> Completed – see Item 13.</p> <p><u>18 Review of meeting</u></p> <p><b>Action:</b> Clerk to produce glossary of common acronyms</p> <p><b>Action Update:</b> Circulated to HISA Board members.</p>	
6	<p><b>Financial Statements 2018-19: Status</b></p> <p>Principal summarised Paper 2, noting that that Paper had been approved in principle by the joint meeting of Finance &amp; General Purposes and Audit Committees on 11<sup>th</sup> December, subject to amendments as recorded in the Extract of Minutes.</p> <p>Principal highlighted in particular that accounts had not been fully completed for 2018/19, and as such it was the opinion of the External Auditors that it would be inappropriate for the Board to sign off on the information available.</p> <p>Principal noted that a number of disclosures had been raised that will form part of the financial statements in the areas of Payroll, Settlement Agreements, Procurement, Deferred Income, and Equalities Duties Reporting.</p> <p>Principal further noted that UHI had been made aware of the situation in order that the Scottish Funding Council (SFC) be made aware that the 31<sup>st</sup> December deadline for accounts submissions would not be met. A final cut-off date for presenting to SFC of 30<sup>th</sup> April 2020 was advised.</p>	

	<p>Chair advised that, given the position as outlined by the Principal, Extraordinary meetings of Finance &amp; General Purposes, Audit and the Board of Management would be required to fit in with this timescale, likely to be February/early March.</p> <p>Staff Member of Board asked about the implications of the late submission to SFC. Chair noted that, whilst there were potential implications linked to the investigation being conducted by UHI on behalf of Audit Scotland, there were no specific implications of late submission to SFC assuming the April deadline is met.</p> <p>Staff Member of Board asked for an update re Audit Scotland investigation. Principal responded that SMT were already preparing an action plan to start to deal with key areas rather than waiting on report, albeit without second-guessing any conclusions to be reported. This plan would be circulated to Board in due course.</p> <p>Board Member asked when procurement issue was highlighted to Board. Principal noted that the issue had been raised at Audit Committee around a year ago, which had been recognised by the Board in approving APUC involvement in early 2019.</p> <p>Principal advised Board that management were working closely with External Auditors, with a large number of staff and EY resources dedicated to pulling the information together, not helped by most systems being paper-based; more needs done to develop these systems, however capital investment will be required to achieve this, and the proposed UHI system roll-out has not materialised.</p> <p>Board Member asked if some of the issues raised within the areas of disclosure put previous accounts into question. Principal responded that there were no suggestions having to restate accounts, but noted that the amended position of Deferred Income looks to have been overstated and is unlikely to be deemed as a material issue.</p> <p>Principal advised that a significant number of additional Audit Days had been allocated to key identified areas reported, and that the Risk Register had also been amended accordingly.</p> <p>Board <b>APPROVED</b> the amended time line for reporting the 2018-19 Financial Statements per Paper 2.</p>	
7	<p><b>Consultation Update &amp; Funding</b></p> <p>Principal provided an update on the consultation process and presented Paper 3 to the Board, noting that a document had been circulated to all staff on 21 October detail proposals for restructuring seeking counter-proposals from staff, which had prompted over 70 responses to the dedicated email address. A meeting was being</p>	

	<p>held in early January to consider these proposals.</p> <p>Chair noted that while the Board would expect to see inputs from the process as part of a proposed implementation plan, delegation of authority to the SMT has been approved with the caveat that value for money and maintaining the student experience are required to be primary considerations.</p> <p>Staff Member of Board suggested that staff be made aware of staff suggestions utilised within the process. Principal agreed that this was the correct approach, albeit ensuring that staff members cannot be identified within such a process.</p> <p>Board <b>NOTED</b> the Update on Process within Paper 3.</p> <p>Principal outlined the financing element of Paper 3, noting that a request had been raised via JNC Consultation meetings to approach UHI for bridging funding to plug the current funding gap.</p> <p>Board Member asked about the implications of bridging funding re likely terms and an expectation of repayment. Principal noted that other Academic Partners have asked in the past with very limited success.</p> <p>Chair reminded the Board that the reason for asking SMT to commence the process was not purely to find a fix for the current year, but to deal with the underlying issue of reduced funding, and to tackle this in a year when funding was available.</p> <p>Board Member enquired whether it would be possible to separate the issues of plugging the current gap and tackling the future funding shortfall. Principal responded that due to the funding regime not permitting reserves being held, plus the indications that both the UK and Scottish Parliamentary Budget announcements will be delayed until at least February, it could be very late in the year before funding levels are known, which provided an argument against extending the process.</p> <p>Board Member enquired as to how confident management were re £600k savings figure. Principal noted confidence in this being a robust figure as 70% of annual spend goes on staffing costs.</p> <p>Chair suggested approaching UHI to consider that, should the process not be concluded by 31<sup>st</sup> March in order to use the funds available within the current financial year, additional funding will be needed to conclude process, based on the rationale that the funding situation is unlikely to improve within the delayed Parliamentary Budget processes, and that completion of this significant programme of change would put the College on a much more secure financial footing.</p> <p>Staff Member of Board suggested that the Consultation process is</p>	
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	<p>likely to take longer to conclude than 31<sup>st</sup> March as previously noted due to impact assessments, etc. Board were reminded that the process being undertaken was a consultation rather than a negotiation.</p> <p>Student Member of Board asked whether the University were aware of the new proposal. Principal responded that UHI were aware of the broader issues, but noted that it would be a different conversation to ask for the type of funding being suggested, and advised that there is unlikely to be central funding for this type of expenditure.</p> <p>Staff Member of Board sought clarification on the type of funding that might be available. Board was advised that it would be very unlikely that UHI would provide a loan facility, therefore funds would be expected to be reclaimed via next financial year's funding mechanism.</p> <p>Board <b>AGREED</b> to approach UHI for bridging funding as noted in Paper 3. Chair noted that the Consultation process should continue to be progressed whilst discussions with UHI take place.</p> <p>Principal continued with the final section of Paper 3, detailing proposals around a Voluntary Severance Scheme.</p> <p>Staff Member of Board asked whether all staff would be able to apply. Principal noted that this had been an area of debate at Consultation meetings. Proposal had looked at targeted areas, however a number of staff members had indicated a level of interest in a wider scheme.</p> <p>Board Member sought clarification on the Statutory x 1.5 offer. Principal noted that voluntary severance would require a level of incentivisation, however affordability was always taken into consideration.</p> <p>Board Member enquired as to whether Deferred Income amounts available as previously discussed would cover the costs of the VS Scheme described. Principal advised that some discussion with Auditor would require to take place to determine the final Deferred Income amounts available, as the audit process is an evolving and iterative process at the moment.</p> <p>Student Member of Board noted concern that some of the proposed areas for identified savings seemed to be in direct contrast with the guiding principle of maintaining current levels of student experience. Principal noted that no decisions had been made, and would take on board the point being raised, however unaffordable staff costs need to be prioritised.</p> <p>Student Member of Board queried why, if the same staffing model was being used but had resulted in the current over-staffing position, how much confidence can be placed in the model. Principal noted</p>	
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	<p>that there had been an acceptance previously that there were areas of over-staffing within the organisation, however this was no longer tenable.</p> <p>Board Member enquired as to consistency and levels of previous VS schemes within UHI. Principal noted that there was no requirement for consistency across the partnership, and that previous schemes had generally been 2 x Statutory.</p> <p>Student Member of Board asked about the potential impact of teaching staff leaving on or before 31<sup>st</sup> March deadline, when there was still teaching taking place. Principal agreed that some discussions would need to take place in this instance, but that the SFC deadline was imperative.</p> <p>In the matter of the Voluntary Severance Scheme element of Paper 3, a majority decision was <b>APPROVED</b>, with Chair noting that the Student Members of Board voted against the proposal.</p>	
8	<p><b>Chair's Report</b></p> <p>Chair provided verbal update, noting in particular good progress on the Tertiary Committee project, which was likely to replace FERB. A Governance &amp; Accountability meeting was due to be held on December 18<sup>th</sup>.</p> <p>Chair asked for Board input into Programme Board consultation regarding recommendations for assembly. Documentation on the matter to be forwarded and responses collated.</p> <p>Chair briefed Board on Employers Association, noting slow progress on attainment of a National Bargaining agreement for senior managers, however job descriptions for support staff was around 95% complete. Work was also proceeding regarding establishment of a "real" Financial Forecast Return that could be used in funding negotiations with SFC.</p> <p>Chair summarised recent meeting with John Swinney, Deputy First Minister, where discussions had taken place on the consultation exercise, the Audit Scotland investigation and Partnership Board/Assembly.</p>	Chair
9	<p><b>Principal's Report</b></p> <p>Principal provided verbal update, noting in particular ongoing work on consultation and financial year-end.</p> <p>Principal summarised recent trip to China, which focused on business development as well as the graduation ceremony.</p> <p>Principal noted attendance at the Development Trust Scholarship</p>	



	<p>Lunch, where 49 external organisations were represented.</p> <p>Principal noted recent awards success for students, including World Skills UK Heats for a Plumbing, Bonnet Painting (Automotive), and the STAR Awards Partnership Prize for Sodexo and Hospitality.</p> <p>Principal also noted discussions with UHI re Tay Cities Deal professional fees, Programme Board and National Bargaining. Principal had also received a visit from local MP Pete Wishart.</p>	
10	<p><b>HISA Perth Update</b></p> <p>HISA Perth President presented the HISA Perth update (Paper 4), noting thanks to Sam Monie from the Student Engagement Team for his considerable help in producing impressive results re Class Rep training, and outlining changes to Student Representative Council, which had be rescheduled.</p> <p>HISA Perth President noted that the finalised Plan of Work that had been scheduled for publication would be circulated to the Board by the end of the week.</p> <p>Board Member referenced campaign re Council Tax exemptions, noting that there was a deadline of 11 March 2020 for implementation for the next financial year.</p> <p>Sharon Hammell and Anna Zvarikova left the meeting at this stage.</p>	
11	<p><b>UHI Quarterly Status Report</b></p> <p>Board noted the UHI Quarterly Report from September to November 2019 (Paper 5).</p>	
12	<p><b>Strategic Risk Register</b></p> <p>Clerk to the Board presented the updated Strategic Risk Register (Paper 6), noting changes to Risks 4, 9, 17, 21 and 25, plus the addition of Risk 26 (Payroll), Risk 27 (Deferred Income) and Risk 28 (Procurement). Board were advised that Audit Committee the previous week had recommended that Asset Management be added to the Risk Register following advice from the Internal Auditor. This would be processed during the next update.</p> <p>Board Member noted that the focus of actions re Risk 26 was centred around systems, but did not include any reference to Recruitment processes. Clerk to amend.</p> <p>Discussion took place around the number of high Residual Risks, where it was noted that, as highlighted within discussions with auditors, the risk profile of the College has changed. Chair noted that the plan being pulled together by SMT should address many of</p>	<p>Clerk</p> <p>Clerk</p>

	<p>these Risk areas.</p> <p>Clerk outlined plans to encourage sub-Committees to take more ownership of Risks affecting their area with a view to making the current document more relevant. Board AGREED to this proposal, which will be rolled out during Board Cycle 3.</p>	Clerk
<b>13</b>	<p><b>Health &amp; Safety – Quarterly Update</b></p> <p>Board noted the Health &amp; Safety Quarterly Update (Paper 7).</p>	
<b>14</b>	<p><b>Balanced Scorecard</b></p> <p>Board received the Interim Progress Report for the 2018-19 Balanced Scorecard.</p> <p>Whilst acknowledging the information provided within the Scorecard, Board Member expressed concern at the disconnect between the information provided and reasons for improvement or decline against these items. Clerk advised that there had been some issues in receiving meaningful narratives from the data owners, and that the tolerance levels had still to be agreed, which would help in terms of making the Scorecard more meaningful.</p> <p>Further review of the Balanced Scorecard will take place over the coming months.</p>	
<b>15</b>	<p><b>Direct Debit Bulk Change Deed</b></p> <p>Chair and Principal signed authorisation papers on behalf of the Board to execute a bulk change deed relating to direct debit arrangements.</p>	
<b>16</b>	<p><b>Regional Outcome Agreement</b></p> <p>Depute Principal provided a summary of Paper 9 relating to the 2018-19 Regional Outcome Agreement, noting that the 2019-20 ROA was currently being developed and Academic Partners had until March to make further input, with Board and other stakeholders involved in the process. This stakeholder engagement was scheduled to occur during January and February.</p>	
<b>17</b>	<p><b>Minutes of Board Standing Committees</b></p>	
17.1	<p>Engagement Committee – 07 November 2019</p> <p>The minutes of this meeting were noted.</p>	

17.2	<p>Chairs' Committee – 14 November 2019</p> <p>The minutes of this meeting were noted.</p> <p>Chair noted that a decision had been made not to appoint a Vice-Chair of AST as, due to AST being a subsidiary company, this is not required.</p>	
17.3	<p>Academic Affairs Committee – 20 November 2019</p> <p>The minutes of this meeting were noted.</p>	
17.4	<p>Finance &amp; General Purposes Committee – 11 December 2019</p> <p>The minutes of this meeting were noted.</p>	
17.5	<p>Audit Committee – 11 December 2019</p> <p>The minutes of this meeting were noted.</p>	
18	<p><b>Date &amp; Time of Next Meeting</b></p> <p>Wednesday 18 March 2020</p> <p>Clerk to advise on date of Extraordinary Meeting of Board once determined</p>	Clerk
19	<p><b>Review of Meeting</b></p> <p>Members agreed the meeting had covered Board business.</p>	

**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 ☒**

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 1998. 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** ☒