

Board of Management

Minutes

Meeting reference: Board 2019-20/03

Date and time: Wednesday 18 March 2020 at 5.30pm

Location: Room 019

Members present: 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 & Chief Executive
John Dare, Staff Member
Debbie Das Chaudhury, HISA Perth (via videoconference)

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: **Brian Crichton**
Minute Taker: Ian McCartney
Quorum: 6

Summary of Action Items			
Ref	Action	Responsibility	Time Line
8	UHI Investigation Report 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	Financial Forecast Review 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	Consultation Process 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

Item		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 <u>Matters Arising from Board Meeting of 17 December 2019</u> <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> Action 1: Vice Principal to present negative figures in parenthesis. Action Update: Completed Action 2: Risk 26 to be amended to include reference to Recruitment processes. Action Update: Completed Action 3: Clerk to roll out plans to encourage sub-Committees to make Risk Register more relevant	

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

	<p>scrutinised by Finance & General Purposes Committee on 4th March, and had been recommended for Board's approval.</p> <p>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.</p> <p>Board APPROVED the External Audit Report 2018-19.</p>	
8	<p>UHI Investigation Report</p> <p>Chair introduced Paper 4, noting 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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>Student Board Member noted Section 2.77 and queried the reasons behind the procurement process not being followed. Vice Principal</p>	

	<p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>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</p>	<p>Chair</p>
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	was required.	
9	<p>Combined Audit Action Plan</p> <p>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.</p> <p>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.</p>	
10	<p>Management Accounts – 6 months to 31 January 2020</p> <p>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.</p> <p>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, and there will clearly be issues related to AST, so losses seem inevitable.</p> <p>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.</p> <p>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.</p> <p>Chair proposed that analysis of likely deficit position based on likely impacts of Coronavirus be undertaken for next Board meeting. This was AGREED by Board.</p> <p>Board Member made further suggestion that tracking of actual</p>	<p>Vice Principal</p> <p>Vice Principal</p>

	<p>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.</p>	
11	<p>Mid-Year Return</p> <p>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.</p>	
12	<p>Financial Forecast Return</p> <p>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.</p> <p>Interim Head of Finance noted that the position had been helped slightly by adjusted operating position, but the FFR still showed growing deficits.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>Chair thanked the Finance Team for a lucid set of reports.</p>	Principal
13	<p>Chair's Report</p> <p>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.</p> <p>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.</p>	Chair

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) <div style="background-color: black; height: 20px; width: 100%;"></div> <div style="background-color: black; height: 20px; width: 100%;"></div> <div style="background-color: black; height: 20px; width: 100%;"></div> <div style="background-color: black; height: 20px; width: 100%;"></div> <div style="background-color: black; height: 20px; width: 100%;"></div> <div style="background-color: black; height: 20px; width: 100%;"></div> <div style="background-color: black; height: 20px; width: 100%;"></div> <div style="background-color: black; height: 20px; width: 100%;"></div> <div style="background-color: black; height: 20px; width: 100%;"></div> <div style="background-color: black; height: 20px; width: 100%;"></div>	<div style="background-color: black; height: 20px; width: 100%;"></div>

17	<p>Strategic Risk Register</p> <p>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.</p> <p>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.</p> <p>Board Member asked whether there were plans to include reference to Coronavirus risks. Clerk to review and update.</p>	Clerk.
18	<p>Continuity Business Plan – Coronavirus Update</p> <p>Principal provide verbal update on Continuity Business Plan in relation to responses to the Coronavirus outbreak.</p> <p>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.</p> <p>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.</p> <p>Primary focus will be on maintaining student support, particularly to vulnerable students.</p> <p>Residences remain open, and a number of international students are still on-site.</p> <p>Daily meetings with staff have been taking place due to the fast-moving nature of guidance and responses required.</p> <p>Laptops have been made available to students.</p> <p>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</p>	

	<p>annual leave to provide a clarity of position for pay, conditions and working practices.</p> <p>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.</p>	
19	<p>Health & Safety – Quarterly Update</p> <p>Paper 13 was noted by the Board.</p>	
20	<p>Balanced Scorecard</p> <p>Clerk presented Paper 14 for information, noting in particular the link with the Audit Plan for review of metrics and reporting timelines.</p> <p>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.</p>	
21	<p>International Strategy</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>The International Strategy was APPROVED by the Board.</p>	
22 23	<p>Procurement Strategy Procurement Policy</p> <p>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.</p> <p>The Procurement Strategy and Procurement Policy were APPROVED by the Board.</p>	

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** ☐ **No** ☒