

Board of Management

Minutes

Meeting reference: Board 2019-20/05

Date and time: Monday 20 July 2020 at 5.00pm

Location: Online

Members present: Brian Crichton, Board Member (Chair)
Andrew Comrie, Board Member
Jim Crooks, Board Member
Sheena Devlin, Board Member (until Item 16)
Katrina Hodgson, Board Member
Debbie Hutchison, Board Member
Ann Irvine, Board Member
Craig Ritchie, Board Member
Charlie Shentall, Board Member (until Item 7)
Margaret Cook, Principal & Chief Executive
John Dare, Staff Board Member
Alex Wilson, Student Board Member
Michaela Asisten, Student Board Member

In attendance: Lorenz Cairns, Depute Principal (Academic)
Veronica Lynch, Vice Principal (External)
Iain Wishart, Director of Finance
Ian McCartney, Clerk to the Board of Management

Apologies: Sharon Hammell, Board Member

Observing: Heather Cormack, Appointed Board Member
Fiona Martin, Appointed Board Member
Linton Scarborough, Appointed Board Member
Graham Watson, Appointed Board Member
Miranda Landale, Appointed Board Co-Optee

Chair: **Brian Crichton**

Minute Taker: Ian McCartney

Quorum: 6

Summary of Current Action Items			
Ref	Action	Responsibility	Time Line
7	AST Revised Budget 2020/21 Revisit budget to be presented to Board at earliest opportunity depending on external environment.	AST Chair	ASAP
9	UHI Investigation Report Chair requested that Board Members review draft document prepared for August meeting of Regional Strategic Committee and feed back to allow collated responses to be taken back to Committee.	Board	ASAP
12	Strategic Risk Register Review register with regard to UK and China international relations.	Clerk	Next Board
14	Balanced Scorecard (Strategic Planning) Commence process of strategic planning prior to UHI plan being received.	Chair/Clerk	December Board
16	Business Development Strategy Consultation session to be arranged before end of October. Strategy to be tabled at December Board	Clerk Vice Principal	End October December Board

Summary of Historic Items			
	Action	Responsibility	Time Line
	Matters Arising from 18 March <u>Ref 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
	Matters Arising from 10 June <u>Ref 8: Management Accounts to 30 April</u> 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
	Matters Arising from 10 June <u>Ref 17: Board Effectiveness Review</u> Chair, SMT and Clerk to generate action plan with appropriate timings to ensure recommendations are adopted	Chair/SMT/ Clerk	ASAP
	Matters Arising from 10 June <u>Ref 21: Review of Meeting</u> Chair and Clerk review methods of Board working over the summer to ensure that decisions are made at the most appropriate level	Chair/Clerk	ASAP

MINUTES

Item		Action
1.	Welcome and Apologies Chair welcomed everyone to the meeting, and welcomed the newly-appointed Board Members, who were observing the meeting pending approval of appointments from the Regional Strategic Body.	
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 10 June 2020 The minutes were approved as an accurate record.	
5.	Matters Arising from Previous Minutes	
	<u>Matters Arising from Board Meeting of 18 March 2020</u> <u>Ref 24.6 Audit Committee – 10 March 2020</u> 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 Action Update: Not yet complete – carry forward	SMT
	<u>Matters Arising from Board Meeting of 10 June 2020</u> <u>Ref 7: UHI Investigation Report</u> Action: Chair to circulate progress report re UHI Audit Committee to Board in due course Action Update: Circulated. Item re Staff Survey not yet agreed.	Completed
	<u>Ref 8: Management Accounts to 30 April 2020</u> Action: Staff Board Member requested a summary of key items noted by Interim Head of Finance within Executive Summary. Action Update: Not complete due to staffing change. Carry forward.	Director of Finance
	<u>Ref 10: Perth College Indicative Budget 2020/21</u> Action: SMT to provide a full Budget position with options to achieve a balanced budget at the next Board meeting.	

	<p>Action Update: On Agenda – Item 6</p> <p><u>Ref 11: Air Service Training Business Plan 2020/21</u> Action: 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</p> <p>Action Update: On Agenda – Item 7</p> <p><u>Ref 17: Board Effectiveness Review</u> Action: Chair, SMT and Clerk to generate action plan with appropriate timings to ensure recommendations are adopted</p> <p>Action Update: Not complete – carry forward</p> <p><u>Ref 18: Board Recruitment</u> Action: Clerk to add item to next Agenda re issues surrounding BAME and recruitment</p> <p>Action Update: On Agenda – Item 17</p> <p><u>Ref 19: Calendar of Meetings 2020/21</u> Action: Clerk to provide further clarification re timing of Chairs Committee over summer period and within Board Cycle 1</p> <p>Action Update: Full calendar issued</p> <p><u>Ref 21: Review of Meeting</u> Action: Chair and Clerk review methods of Board working over the summer to ensure that decisions are made at the most appropriate level</p> <p>Action Update: Not complete – carry forward</p>	<p>On Agenda</p> <p>On Agenda</p> <p>Chair/SMT/ Clerk</p> <p>On Agenda</p> <p>Completed</p> <p>Chair/Clerk</p>
	Audits & Financial Reporting	
6	<p>Perth College Budget 2020/21 - FINAL</p> <p>Vice Principal presented Paper 2, which provides context for the Budget presentation and a range of budget scenarios based on the Indicative Budget previously presented to the Board. Assumptions have been reviewed and tested, and are in line with the Sector.</p> <p>Vice Principal outlined that the 3 scenarios are differentiated as:</p> <ol style="list-style-type: none"> 1. best-case scenario with a 25% likelihood requiring £513k savings; 2. reduced income with a 50% likelihood requiring £1.5m savings; 3. indicative assumptions with a 75% likelihood requiring £1.9m savings 	

	<p>Vice Principal advised that the Financial Forecast Return presented was submitted based on Scenario 3. Indications were that SFC are likely to accept a 3-year window to achieve a balanced budget. In addition, Board were advised that current year deficits related to funded targets will not be clawed back if this can be demonstrated to relate to necessary spend for measures related to COVID.</p> <p>Vice Principal summarised the proposed mitigating actions, noting that if these fail to make adequate savings, the last resort would be a consultation process over staffing levels.</p> <p>Board Member asked around potential for courses related to health and hygiene falling out of Curriculum Review. Vice Principal noted that all aspects of the Curriculum were being looked at from a post-COVID viewpoint, including potential bespoke course offers.</p> <p>Student Board Member queried UHI review of financial sustainability. Vice Principal noted that all Academic Partners had been asked to create efficiencies including the potential for shared services, cross-staffing and economies of scale in areas such as recruitment, however this level of collaboration was at a early stage.</p> <p>Staff Board Member asked whether 3-year window indicated by SFC implied that no additional funding was available. Vice Principal advised that projected future year cost bases were increasing but income was predicted to be flat, therefore action will be required on the cost base.</p> <p>Board Member asked how quickly savings required to be made with cash as the main driver. Vice Principal noted the cash projection within the FFR indicates Year 2 would be the tipping point, however SFC has indicated that they will not allow any College to run into a cash deficit position. Chair noted that this should be treated as a safety net rather than a cushion, and that a 3-year timescale would be uncomfortable.</p> <p>Chair noted that areas with most uncertainty in current climate – ASW, AST, Residences, Nursery – need to be monitored effectively.</p> <p>Staff Board Member queried whether more pressure could be placed on politicians given statements around education being the best way out of the current crisis. Principal noted that FFRs from across the sector were being used at a political level to create investable propositions.</p> <p>Chair suggested that modified mitigations be approved in principle with actions having a 3-year window but work commencing immediately and early engagement with staff a priority.</p> <p>The mitigating actions outlined in Paper 2 were APPROVED.</p>	
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7	<p>Air Service Training – Revised Budget 2020/21</p> <p>In absence of AST Chair, Principal presented AST revised budget (Paper 3) noting current challenges within the aviation industry. Permission was sought from the Board to pass an interim budget and present a full budget and business plan at a later date.</p> <p>Vice Principal noted that the outline trading profit had improved slightly due to staff returning from furlough and it was hoped to remove the salary holiday earlier than projected. Chair recognised flexibility of AST staff throughout the recent months.</p> <p>Vice Principal noted that the business plan needs to be reviewed based on changing conditions, and much will depend on when AST re-opens to students, therefore it is proposed to revisit this during Board Cycle 1 or possibly Board Cycle 2 depending on external environment. This approach was AGREED.</p> <p>Chair clarified whether confirmation of Going Concern had been received from External Auditors. It was noted that External Auditors had received a paper in this regard favourably and the AST Board meets again next week with a view to passing accounts and lodging financial statements by 31st July.</p> <p>Board Member queried lack of investment in training aids. Vice Principal noted that there was likely to be an uplift in this area once the Aviation Academy deal had been agreed.</p>	AST Chair
8	<p>Tay Cities Deal</p> <p>Vice Principal provided an update to Board on progress regarding the Tay Cities Deal, noting that negotiations were still ongoing with governments to get deal signed off, with final stumbling block appearing to be focused on funding over 10 or 15 years, however the deal is still expected to proceed despite uncertainty over COVID.</p> <p>The outline business case for the Aviation Academy has been presented but this is yet to be escalated to full business case, and will need reviewed to take account of issues related to COVID. Vice Principal advised that it had been established that the UK market for the project was based on replacement demand for aircraft engineering and pilot training rather than growth-based, therefore the project viability is still high.</p> <p>Vice Principal noted that positive discussions with Perth & Kinross Council had taken place regarding the underwriting of the required loan, however confirmation of strategic funding, including professional fees, is still required and yet to be confirmed.</p> <p>Vice Principal sought to clarify that previous agreement on Delegated Authority still applies re acceptance of grant. Chair noted</p>	

	that the Delegated Authority was granted based on a viable business plan for the project, and there was no material change to the plan's long-term viability, with the worst-case scenario being to return any grant money. Continuation of Delegated Authority was CONFIRMED .	
	Standing Reports	
9	<p>Chair's Report</p> <p>Board received and noted Paper 4, Chair's Report.</p> <p>Chair requested that Board Members review draft document prepared for August meeting of Regional Strategic Committee and feed back to allow collated responses to be taken back to Committee.</p> <p>Board Member raised query over Rurality Funding. Principal noted that UHI receives this funding and it was the decision of the Partnership Council to redistribute Perth College allocation across the partnership, a decision which was then approved by UHI Court.</p>	Board
10	<p>Principal's Report</p> <p>Principal provided a verbal report, noting the primary focus on restart, with academic staff due to return a week earlier than students to ensure all processes are in place. A Short Life Working Group has been established to look at safety issues. Current plans were for a partial re-opening with face-to-face teaching one day per week to manage numbers on campus.</p> <p>Principal advised that approx. 350 2019/20 students had not been able to complete their courses last Academic Year, and every effort would be made to allow these students to complete.</p> <p>Principal noted that the COVID testing centre in the Brahan car park would close at end of July to allow for College reopening measures to be put in place.</p>	
	Compliance, Risk & Performance Monitoring	
11	<p>Subsidiary Company Winding-Up Orders</p> <p>Vice Principal sought approval to wind up 2 dormant subsidiary companies of the College:</p> <ul style="list-style-type: none"> • Brahan Business Services and • Air Services Training (International) <p>as neither had traded, time was required for annual submissions, and, should there be a need, the process to create new company is</p>	

	<p>straightforward.</p> <p>The winding-up orders were APPROVED.</p>	
12	<p>Strategic Risk Register</p> <p>Clerk presented the latest version of the Strategic Risk Register for review. The following areas were discussed:</p> <p>Risk 10 – reference to Partnership Agreement to be amended to Partnership Project</p> <p>Risk 27 – removal of Risk due to conclusion of Deferred Income issues to be discussed with Auditors to ensure their agreement</p> <p>Board Member suggested that escalations between UK and China should be reviewed in light of international partnerships the College retains in China. Clerk to progress.</p>	Clerk
13	<p>Health & Safety – Quarterly Update</p> <p>The Board received and noted the latest Health & Safety quarterly update.</p>	
14	<p>Balanced Scorecard - Final</p> <p>The Board received and noted the latest Balanced Scorecard update.</p> <p>Clerk also tabled information regarding proposed improvements to the presentation of Balanced Scorecard information following feedback from Board Members.</p> <p>Board APPROVED the proposals as a useful iteration, noting the need for meaningful benchmarking against key high-level measures.</p> <p>Board Member requested update on Strategic Plan. Chair noted that Perth College strategic plan was linked to UHI's plan, and it was not envisaged that this would be available before end of 2020. However, there was a need for Perth College to start to define key areas for development. It was AGREED to commence process of strategic planning prior to UHI plan being received.</p>	Chair/Clerk
	Policies & Strategies	
15	<p>Approval Process for Policy, Procedure & Strategy</p> <p>Board considered Paper 10 and APPROVED the Approval Process for Policy, Procedure & Strategy</p>	

16	<p>Business Development Strategy - update</p> <p>Vice Principal provided an update on the Business Development Strategy, per Paper 11. Vice Principal noted that the strategy had been updated to reflect feedback from the Board and sub-committees, and provides a current update on COVID implications on the regional economy and the College's role in upskilling and reskilling the workforce to support economic recovery.</p> <p>It was also noted that the full Strategy requires further consultation before being tabled for full approval by the Board.</p> <p>Board Member queried upskilling in creative industries. Vice Principal noted that this area requires additional attention, although there had been some engagement with, for example, Horsecross.</p> <p>Board Member suggested that targets for approval be reviewed, possibly with use of a RAG system.</p> <p>Chair queried timescale for the Strategy to be brought in front of Board for approval. Vice Principal suggested that, to allow for full consultation, the December Board meeting would be most likely.</p> <p>Board indicated satisfaction with broad direction of Strategy, and requested a consultation session by end of October.</p>	<p>Vice Principal</p> <p>Clerk</p>
17	<p>Addressing Racism Within Perth College</p> <p>Board Member presented Paper 12 which provided context and background information and outlined the key areas that require to be discussed in order to meaningfully address a broad range of race issues.</p> <p>Board Member noted that the paper reflects the conversation across the sector, and there remains a sense of urgency about addressing these issues.</p> <p>It was proposed to set up a Short Life Working Group to develop an action plan to be brought back to Board.</p> <p>Principal noted that Advance HE was looking at this issue with SFC funding.</p> <p>Student Board Member advised on the need to consult with those affected by the issues rather than just doing what is thought to be correct, and advocated a Perth College study to achieve this.</p> <p>Depute Principal noted that the College has a committee (EDIT) which should be involved in the consultation. Board Member also noted that Board committees need to retain a level of oversight to ensure momentum is not lost.</p>	

	Board AGREED that a SLWG be established quickly to formulate a process and timings for stakeholder engagement and Board input.	
	Board Development	
18	Board Recruitment - update Clerk advised Board that the Regional Strategic Body had agreed a commencement date of 27 July 2020 for newly-recruited Board Members.	
19	Minutes for Board Standing Committees Board received Draft Minutes of the following Committees for noting: <ul style="list-style-type: none"> • AST Board (23 March 2020 & 15 April 2020) • Chairs' Committee (29 April 2020) • Academic Affairs Committee (06 May 2020) • Engagement Committee (07 May 2020) • Audit Committee (19 May 2020) • Finance & General Purposes Committee (27 May 2020) Board also noted Paper 20 relating to an agreed settlement with HMRC for underpayment of National Insurance contributions that had been approved by F&GP but required to be signed off at a full Board meeting. The paper was duly APPROVED .	
20	Date & Time of Next Meeting Thursday 08 October 2020 @ 5:00pm	
21	Review of Meeting Members AGREED the meeting had covered Board business. Chair noted that he had written to the former Interim Head of Finance to express thanks, and a response had been received which Chair read to Committee. Chair noted that Sharon Hammell would be stepping down from Board with immediate effect. Chair thanked Sharon for her efforts over the years, and acknowledged the extended period of her tenure to assist in Board matters over the summer.	

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 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** ☒