

Board of Management

Minutes

Meeting reference: Board 2019-20/01

Date and time: Wednesday 09 October 2019 at 5.30pm

Location: Room 019

Members present: Brian Crichton, Board Member (Chair)
David Littlejohn, Board Member (Vice-Chair)
Andrew Comrie, Board Member
Jim Crooks, Board Member
Sheena Devlin, Board Member
Sharon Hammell, Board Member (by video conference)
Debbie Hutchison, Board Member
Ann Irvine, Board Member
Charlie Shentall, 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)
Veronica Lynch, Vice Principal (External)
Ian McCartney, Clerk to the Board of Management

Apologies: Katrina Hodgson, Board Member
Lynn Oswald, Board Member
Craig Ritchie, Board Member
Anna Zvarikova, Board Member
Catherine Etri, Associate Principal (Curriculum)

Chair: **Brian Crichton**

Minute Taker: Ian McCartney

Quorum: 6

Summary of Action Items			
Ref	Action	Responsibility	Time Line
5	Board Effectiveness Development evening to focus on developing an action plan	Clerk	Next Development event
5	College Governance Strengthen section on conflicts of interest and charity trustees' responsibilities at Board Induction	Clerk	Next round of inductions
5	Chair's Report Update Board with Employers' Association consideration of national approach to Principal/SMT posts	Chair	Expected November
9	Indicative Budget 2019-20 Vice Principal (External) to present negative figures in parentheses	Vice Principal (External)	Immediate
11	Programme Board Chair to circulate draft response for comment by 14 th October then re-issue for further comment	Chair	14 October
12	Tay Cities Deal – Aviation Academy for Scotland Vice Principal (External) to include risk associated with over-run costs regarding the capital build within the project risk register.	Vice Principal (External)	Immediate
16.3	Audit Committee Clerk to examine best practice across sector re Board cognisance of Health & Safety matters	Clerk	Next Chair's Committee
18	Review of Meeting Clerk to produce glossary of common acronyms	Clerk	Next Board meeting

MINUTES

Item		Action
1.	<p>Welcome and Apologies</p> <p>The Chair welcomed everyone to the meeting, and noted apologies from Katrina Hodgson, Lynn Oswald, Craig Ritchie, Anna Zvarikova and Catherine Etri.</p>	
2.	<p>Additions to the Agenda</p> <p>There were no additions to the agenda.</p>	
3.	<p>Declaration of Interest in any Agenda Item</p> <p>Vice Chair declared an interest in Item 11, and would therefore not be contributing to the discussion on this item.</p>	
4.	<p>Minutes of Meeting held on 14 May 2019</p> <p>The minutes were approved as a correct record.</p>	
5.	<p>Matters Arising from Previous Minutes</p>	
	<p><u>5 Actions Arising from Meeting on 12 June 2019</u></p> <p>Action 1: HISA Perth College Update – Student Mental Health Agreement to be presented to next Engagement Committee.</p> <p>Action Update: HISA Perth President informed the Board that this Agreement was now a UHI/HISA matter.</p> <p>Action 2: Board Effectiveness – Development evening should focus on developing an action plan.</p> <p>Action Update: Clerk to Board still to organise.</p> <p>Action 3: College Governance: Ministerial Letter – Strengthen the section on conflicts of interest and charity trustees’ responsibilities at Board induction at next round of inductions.</p> <p>Action Update: Next round of inductions to be arranged.</p> <p><u>7 College Governance – Union Nominees on College Boards</u></p> <p>Action: Write to Unison with the Board’s decision on observers</p> <p>Action Update: Completed</p>	<p>Clerk</p> <p>Clerk</p>

	<p><u>8 Regional Outcome Agreement</u></p> <p>Action: Circulate the full ROA document electronically for the Board for information</p> <p>Action Update: Document received by Clerk, will be emailed to Board following meeting</p> <p><u>9 Evaluation of Regional Strategic Body</u></p> <p>Action: Communicate to UHI the Board's concerns</p> <p>Action Update: Completed</p> <p><u>10 Programme Board – Governance & Accountability Work Group</u></p> <p>Action: Manage Principal/SMT engagement in work over summer period to ensure an appropriate level of engagement without detriment to the College and the student experience</p> <p>Action Update: Completed</p> <p><u>11 Chair's Report</u></p> <p>Action 1: Update Board on progress with Employers' Association consideration of national approach to Principal/SMT posts</p> <p>Action Update: No response received to report to Board – expected November</p> <p>Action 2: Undertake individual Board evaluations over summer period</p> <p>Action Update: Completed</p> <p><u>12 Principal's Report</u></p> <p>Action 1: Convey Board's thanks to staff involved in College Expo event</p> <p>Action Update: Completed</p> <p>Action 2: Report on progress with community engagement with College opportunities post closure of learning centre</p> <p>Action Update: Refer to Item 8 on Agenda</p>	Chair
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	<p><u>13 Indicative Budget</u></p> <p>Action: Principal to provide Chair with short note once budget position is clear. Chair to notify Members/convene extraordinary meeting of Board as appropriate.</p> <p>Action Update: Refer to Item 9 on Agenda</p> <p><u>14 Tay Cities Deal update</u></p> <p>Action 1: Provide progress reports to first cycle of Committee meetings</p> <p>Action Update: Refer to Item 12 on Agenda</p> <p>Action 2: Submit application to UHI Executive Office for funding of professional fees</p> <p>Action Update: Completed</p> <p>Action 3: Sign Proprietary Information Agreement on Board's behalf as part of Moray Growth Deal</p> <p>Action Update: Completed</p> <p>Action 4: Bring risk assessment and plan for sustainable resource funding to Board</p> <p>Action Update: Refer to Item 12 on Agenda</p> <p><u>16 CITB – Subcontracting issue</u></p> <p>Action: Implement contractual changes as approved by Board</p> <p>Action Update: Completed</p> <p><u>21 Audit Committee Meeting minutes of 14 May 2019</u></p> <p>Action: Check assessment arrangements are consistent with Board agreed position on red/green evaluation of compliance matters</p> <p>Action Update: Completed</p>	
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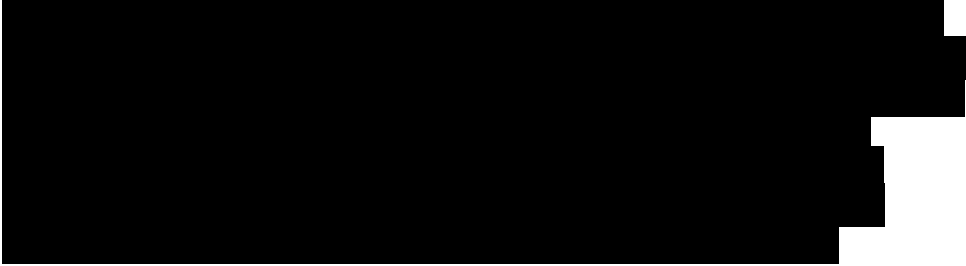
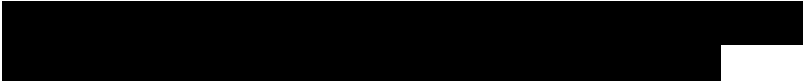
6	<p>HISA Perth Update</p> <p>HISA Perth President presented an update on key areas of activity, noting in particular that the relocation of the HISA Perth office to the Webster building had had a positive impact of footfall. Freshers Fayre had proved successful, with 44 stalls in place providing information to students.</p> <p>It was noted that HISA Perth had been working with key College staff to deliver the changes made to the Class Rep system, with a focus on Class Rep training events later in October.</p> <p>It was further noted that work continues on the Student Partnership Agreement to ensure this is delivered to the next meeting of Engagement Committee.</p> <p>Board Member commended HISA Perth on the progress being made, with particular reference to the 3rd Sector focus of Freshers Fair.</p>	
7	<p>Chair's Report</p> <p>Chair informed Board of main items of interest at most recent FERB meeting, noting in particular that: funding challenges were being felt across the partnership; discussions were ongoing over the best way to take forward the National Manufacturing Institute locally; UHI may take over take responsibility for STEM hub management provision from Skills Development Scotland, contrary to FERB advice. In addition, the annual effectiveness review had not been completed.</p> <p>Chair noted that discussions had also taken place regarding potential for a successor to FERB that may encompass higher education, and there may be a meeting of Chairs, Court members and knowledgeable others to scope this proposal.</p> <p>Chair informed Board that a meeting with John Kemp, UHI's newly-seconded Senior Advisor for Change Implementation, had taken place.</p>	
8	<p>Principal's Report</p> <p>Principal informed Board of a number of key meetings that had taken place recently, including a Ministerial Visit from Richard Lochhead, Minister for Further Education, Higher Education and Science, a Colleges Scotland Parliamentary event, an induction meeting with John Kemp at UHI, and UHI Partnership Council.</p> <p>Principal updated Board on the current situation regarding Community Learning, noting that, while some classes were running, there had been little community interest in options presented despite</p>	

	<p>continued promotion. SMT will continue to monitor situation with particular focus on courses starting in January.</p> <p>Principal informed the Board that the College was on target re student numbers, and that induction for new students had been completed with focus on student retention.</p> <p>Principal advised the Board that Graduation had taken place, attended by the Princess Royal, with 325 students graduating.</p> <p>Principal noted that a new Sports Injury Clinic was opened in the Academy of Sports & Wellbeing today.</p>	
9	<p>Indicative Budget 2019-20</p> <p>Vice Principal (External) introduced a context paper for the 2019-20 Indicative Budget which highlighted a projected deficit of £1.12m, including an underlying operational deficit of £569,000, and provided a rationale for the increased cost base within the College.</p> <p>The paper also noted some areas of mitigation, including increased income growth in International revenue, and cost savings due to the removal of unfilled non-academic posts and cuts to non-pay expenditure.</p> <p>Vice Principal (External) noted that consultation with Trades Unions had commenced with a focus on reducing recurrent costs to achieve financial sustainability.</p> <p>In response to a question from a Board Member regarding the difference between projected deficit and operational deficit, Vice Principal (External) noted that the College is allowed a technical deficit due to asset values but was not permitted under Office of National Statistics regulations to plan for more than the technical deficit.</p> <p>Board Member queried why the financial impacts presented were all negative in nature. Vice Principal (External) noted that 2 areas were positive (HE ESIF Allocation and HE Controlled Numbers), however this was perhaps unclear within the layout. Vice Principal (External) was requested to ensure negative figures were presented in parentheses in future iterations of the Budget to avoid confusion.</p> <p>Chair clarified that current year finances provided an opportunity to self-fund a solution rather than not address and postpone issue for future years. Principal further noted that there will be no money available from the Scottish Funding Council for such a process as has happened in the past, therefore any associated costs are being covered by an item of Deferred Income which has been released via the accounts this year.</p>	Vice Principal (External)

	<p>Board Member sought clarification on the causal relationship between staff numbers and curriculum provision as control mechanisms would need to be examined. Principal noted that there had been a growth in programmes being provided but growth in student numbers had stalled, a problem shared across the Partnership.</p> <p>Board Member queried how much the unfunded growth in academic staff was impacted by the proposals. Vice President (External) noted that the National Bargaining process took staff numbers from the 2016/17 position, so any additional staff costs incurred for these positions since that time must be absorbed by the College.</p> <p>In response to Board Member seeking clarification on figures relating to cost-saving measures, Vice Principal (External) noted the actions taken to mitigate against future expenditure were already included. Principal further noted that these figures did not, however, include savings generated through any voluntary severance as there were no guarantees regarding the outcomes of this process; however, Board were advised that compulsory severances would only be required as a last resort.</p> <p>Following a Board Member query whether curriculum offer was meeting minimum class sizes, Chair noted that there was an expectation to critically review course levels to identify inviable courses and examine the knock-on effect of discontinuation of such courses beyond purely financial terms. Board Member further noted that the relationship between cost and curriculum is not a linear one, and that data-based decision-making might be helpful.</p> <p>Depute Principal (Academic) advised that course provision was evaluated every year, and that financial modelling takes place. In addition, classroom, as well as class sizes are a factor at Perth College. Board Member noted that there is also a need to examine what courses are started as much as what are stopped.</p> <p>Board Member queried impact on Budget of other partners not delivering, in particular ESIF. Vice Principal (External) noted that only 50% ESIF achievement had been assumed to provide a buffer, as this is an area beyond the College's control.</p> <p>Board Member asked about the impact on students regarding the removal of unfilled vacancies. Vice Principal (External) noted that these roles were not student-facing, and could be re-examined a and when the financial position improves.</p> <p>On conclusion of the discussion, Board</p> <ol style="list-style-type: none"> 1 - approved the College's Indicative Budget for 2019/20; 2 - endorsed steps taken by SMT to achieve necessary savings; and 3 - endorsed SMT progressing consultation discussions with staff and Trades Unions to identify broader savings. 	
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	Principal outlined proposed communication strategy with staff for the consultation.	
10	<p>Financial Forecast Return 2018-19</p> <p>Vice Principal (External) introduced paper detailing the Financial Forecast Return as required by the Scottish Funding Council, noting in particular the impact of the 4% reduction in SFC core grant funding, and the 3% increase in costs associated with the Public Sector Pay Policy. Vice Principal (External) also noted that changes to EU-related revenue streams will be off-set against revenues from non-EU revenues, Modern Apprenticeships, and others.</p> <p>Chair noted that £750k deficits being forecast each year from 2020/21 relate to the technical deficit referred to previously; in other words, the FFR represents a break-even model. Vice Principal (External) further noted that the figures presented reflected the recurrent cost savings discussed in Item 9.</p> <p>Principal noted Principal's Group had recently discussed an FFR exercise across all sector institutions to produce a realistic picture for both SFC and Government. Chair welcomed this development.</p> <p>Staff member queried the exceptional staff cost in 2019/20, which was clarified as the estimated costs of processes outlined in Item 9.</p> <p>Board approved the Financial Forecast Return 2019/20.</p>	
11	<p>Programme Board - Recommendation</p> <p>Chair introduced paper received from Programme Board and sought the views of Board in order to collate a formal response from Perth College.</p> <p>Principal expressed frustration over the time spent on this work for zero impact on the student experience whilst the financial situation worsened.</p> <p>Depute Principal (Academic) was perplexed by the document suggesting 14 recommendations with no detail on implementation and no reference to students. Depute Principal (Academic) further noted the need to build trust given the apparent lack of transparency over the use of top-sliced funding and fears over financial controls. Chair noted that cultural change is required in order for transparency and trust to develop.</p> <p>Vice Chair acknowledged frustrations but noted need to get balance of language in response correct, otherwise there was a risk of any forward movement not occurring. Board Member noted it was hard to accentuate positives due to concerns over transparency.</p>	

	<p>Board Member suggested that requirements are: prioritisation of recommendations; financial models and resource implications; clarity of costs of core governance; and clarity of governance to ensure conclusions over best way forward are reached.</p> <p>Board Member expressed surprise that paper referred to appointment of strategic lead HR professional given the talent pool and resources available throughout the partnership. Principal noted that where paper referred to Human Resources, it should have referred to Organisational Development.</p> <p>Board Member suggested there should be a set of principles that enshrines the Scottish Government's Empowerment Agenda, which proposes getting as close to the learner as possible and focused on culture over processes and systems.</p> <p>Chair thanked Board Members for their input and noted that he would circulate a draft response for comment by 14th October then re-issue for further comment.</p>	Chair
12	<p>Tay Cities Deal – Aviation Academy for Scotland (CLOSED)</p> <p>Vice Principal (External) introduced paper, noting that detailed discussions on the matter that had also previously taken place at Finance & General Purposes committee and the Board Strategy Day.</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p> <p>[REDACTED]</p>	[REDACTED]

	Subject to additional exploration on revenues as detailed, Board approved in principle to proceed with the Tay Cities Deal – Aviation Academy for Scotland project per the paper's recommendations.	
13	AST Business Plan (CLOSED) Chair of AST presented the final iteration of the AST Business Plan for approval by the Board.   Board approved the AST Business Plan.	
14	Policies	
14.1	Health & Safety Policy Board approved the Health & Safety Policy and Statement of Intent.	
14.2	Policy Update Board noted the Policy Schedule for 2019/20 and the ongoing streamlining work being conducted in this area.	
15	Calendar of meetings 2019-20 (revised) Board noted the revised calendar of remaining meetings.	
16	Minutes of Board Standing Committees	
16.1	Engagement Committee – 29 August 2019 Chair of Engagement noted that good progress was being made.	
16.2	AST Board – 10 September 2019 AST Chair noted that there is a need to review treatment of Gift Aid accruals prior to Audit.	

16.3	<p>Audit Committee – 17 September 2019</p> <p>The issue of how to best ensure Board's cognisance of Health & Safety matters will be discussed at the next meeting of Chairs Committee. Clerk to look at best practice across the sector and report to next meeting of Chairs Committee.</p>	Clerk
16.4	<p>Finance & General Purposes Committee – 23 September 2019</p> <p>Timescale for design and implementation of a visionary and pragmatic Estates Strategy is to be presented at next Committee meeting</p>	
17	<p>Date & Time of Next Meeting</p> <p>Wednesday 27 November 2019</p>	
18	<p>Review of Meeting</p> <p>Members agreed the meeting had covered Board business.</p> <p>It was identified that some Board Members would find a glossary of common acronyms used in papers and discussion useful. Clerk to produce.</p>	Clerk

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 for Items 12 & 13)

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** ☒