

Board of Management

Minutes

Meeting reference: Board 2022-23/01

Date and time: Thursday 20 October 2022 at 5.00pm

Location: Boardroom (Braham Room 019)

Members present: Graham Watson, Interim Chair of Board
Andrew Comrie, Chair, Strategic Development Committee
Jim Crooks, Chair, Audit Committee
Katrina Hodgson, Chair, Finance & Resources Committee
Michael Buchanan, Board Member
Sheena Devlin, Board Member
Fiona Martin, Board Member
Debbie McIlwraith-Cameron, Board Member (to Item 9.1)
Derek Waugh, Board Member
Margaret Cook, Principal & Chief Executive
John Dare, Staff Board Member
Todor Pavlov-Kennedy, Student Board Member
Liam Fowley, Student Board Member

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

Apologies: Jenny Hamilton, Board Member
Patrick O'Donnell, Staff Board member

Chair: **Graham Watson**

Minute Taker: Ian McCartney

Quorum: 9

MINUTES

Item		Action
1.	Welcome and Apologies Interim Chair welcomed everyone to the meeting, and noted apologies.	
2.	Additions to the Agenda There were no additions to the Agenda, however Interim Chair proposed restructuring the Agenda for improved flow of key information.	
3.	Declaration of Interest in any Agenda Item Graham Watson and Sheena Devlin both declared a professional interest re Item 8.1	
4.	Minutes of Board of Management meeting, 16 June 2022 The minutes were APPROVED as an accurate record of the meeting.	
4a	Minutes of Extraordinary Board of Management meeting, 05 September 2022 The minutes were APPROVED as an accurate record of the meeting.	
4b	Minutes of Extraordinary Board of Management meeting, 06 October 2022 The minutes were APPROVED as an accurate record of the meeting.	
5.	Matters Arising There were no outstanding actions arising from these minutes that had not already been completed or tabled under the Agenda.	
10	Interim Chair's Report Interim Chair noted that the agreed response to UHI re commitment to UHI2024 had been well received, and Principal would provide an update re workstream progress. Interim Chair advised that there would be a Task & Finish Group	

	<p>who will be meeting in early November, with composition to be circulated once known.</p> <p>It had been agreed to invite the Chair of UHI Court to Board meetings, and this agreement will commence at the December Board meeting.</p>	
11	<p>Principal's Report</p> <p>Principal noted that leads of the 7 UHI 2024 workstreams had met with the Chair of UHI Court, and each workstream had been tasked with developing a plan by Xmas. Leads would then meet every 2 weeks. The Shared Services workstream is meeting next week to agree the Terms of Reference.</p> <p>Principal advised that a positive meeting had been held by Colleges Scotland today to discuss the ongoing Think The Unthinkable initiative, in preparation for a meeting with Ministers re changes required around the "flat cash" issue, and there appeared to be much more recognition that change is required. It is envisaged that, following the meeting with ministers, more radical proposals would start to be fleshed out.</p>	
7.1	<p>Perth College Management Accounts to 31 July 2022</p> <p>Vice Principal (Operations) presented Paper 6, noting that, despite the £1m clawback noted previously, College was only £300k down on income due to a number of items being ahead of budget.</p> <p>Vice Principal (Operations) clarified that clawback is retained by UHI and, if SFC do not demand these funds be returned, it is UHI who will decide what to do with it. Academic Partners may be able to bid for funds that are yet to be determined.</p> <p>Vice Principal (Operations) advised that the MicroRAM, which was expected to run to £300k, was this year £140k, and further advised that Staff costs were £1m better than budgeted, mainly due to fewer backfills being required as a result of a drop in student numbers. With non-staff costs broadly on budget, the College was likely to report an overall surplus of around £500k.</p> <p>Vice Principal (Operations) noted that the above figures were unaudited, with External Auditors due to arrive in November, so the final out-turn may vary from this position.</p> <p>Interim Principal noted the string commercial performance relative to budget. Vice Principal (External) advised that the commercial operations had been more conservative on revenue streams than normal due to impacts of COVID, but were able to retain more business than expected.</p>	

	<p>Interim Principal queried the catering situation. Vice Principal (Operations) noted that a meeting with Amarak had taken place to discuss losses. The target had been nil cost to the College but this ended up being a sizeable loss due to reduced numbers. A 50/50 split re losses had been proposed, but numbers in accounts don't tally with Aramark's, so this is still a work in progress. Vice Principal (Operations) advised that the break point in the contract would need to be considered but there would need to be an alternative solution in place.</p> <p>SMT would put recommendation to next Board.</p> <p>Staff Board member advised of a perception that the College is in a poor financial state. Principal responded that this perception hadn't been heard at SMT, and while the updated financial position would be advised at Staff Conference there needs to be some realism as to the difficulties that lie ahead.</p> <p>Chair of Audit queried what would happen with clawback monies if SFC did not retain funding. Principal advised that it is likely that EO would look at a scheme for bidding for strategic projects across the partnership.</p>	SMT
7.2	<p>Perth FFR 2022/23-2026/27</p> <p>Vice Principal (Operations) presented Paper 7, noting the online approval process for the FFR which had allowed submission to SFC.</p> <p>Interim Chair asked if anything more should be done with SFC to engineer realism given notice has been provided. Vice Principal (Operations) noted that the sector's Financial Director community meet with SFC regularly and are pushing matters at every opportunity.</p> <p>Chair of Audit noted Perth College's fiduciary responsibility re prudence and wondered whether a more explicit letter of representation around the nativity of the FFR guidelines should be produced. Interim Chair agreed.</p> <p>Vice Principal (Operations) advised that Finance & Resources Committee had approved a close look at expectation of commercial operations, profitability of courses, etc. It would be possible to prepare actions based on these results, which would include detail against the rest of the sector, however this would be tabled at Finance & Resources first.</p> <p>Chair of Strategic Development Committee noted that the FFR was a sector-wide problem and advised that this would be better approached with the rest of the sector, if there was a mechanism to achieve this.</p>	

8.1	<p>Estates Strategy & Aviation Academy For Scotland</p> <p>Depute Principal outlined initial proposal detailed in Paper 8, noting that Perth & Kinross Council had resurrected the concept of a school building within the College footprint prior to a refreshed bid being submitted. It was proposed to take this initiative with a view to the bid proceeding, however there was a need to be mindful of the potential impact on the concurrent Aviation Academy for Scotland bid.</p> <p>Vice Principal (External) noted that the latest iteration of the AAS bid involved £6m of funding for workshops and labs (as opposed to a standalone “academy” building), meaning that AST would still require hangar space at Scone. It was felt that it would be a better position across the board to undertake the PKC masterplan with AAS absorbed into this bid, inclusive of the £6m investment.</p> <p>Vice Principal (External) further noted that expectations around AAS have to be managed; whilst AAS is sympathetic around the flexibility re investment, the proposal does have a knock-on effect with regard to draw-down timetables.</p> <p>Interim Chair queried the timescales with regard to when funding would require to be applied for, and the impact of this on the Academy project? Vice Principal (External) responded that PKC was looking to undertake a full Masterplan before applying therefore would be looking to apply within next year’s funding cycle (assumed to be October 2023).</p> <p>Board Member queried the impact on student numbers in the interim. Vice Principal (External) advised that the bulk of schools’ engagement focuses on STEM but market demand still high within aviation industry so more modelling is still required. There are also some multi-skilled front-end opportunities around STEM related to offshore wind.</p> <p>Board Member queried whether there were any assumptions on this project within the FFR. Vice Principal (Operations) noted that this was not yet the case. Board Member asked whether the delay of a year would have a significant impact. Vice Principal (Operations) advised not, as this amounted to around 60 students.</p> <p>Interim Chair advised that AST Board were taking steps in relation to the renewal of the Scone hangar lease. Depute Principal noted that this initiative presented a rare opportunity for investment.</p> <p>Board ENDORSED Paper 8.</p>	
6.1	<p>Annual Health & Safety Report</p> <p>Depute Principal presented Paper 4 for approval, noting previous items for improvement that had been addressed, although some</p>	

	<p>improvements were still required, including levels of mandatory training.</p> <p>Chair of Audit advised that the paper had been given a thorough airing at Audit Committee in the presence of Internal Auditors who report on this issue in 2020, and it had been agreed that additional information from the Health, Safety & Wellbeing Adviser would be presented to Audit Committee.</p> <p>Board APPROVED Paper 4.</p>	
6.2	<p>AST Budget 2022-23</p> <p>Vice Principal (External) presented Paper 5, noting that this had been endorsed by Finance & Resources Committee, and provided an oversight to developments within the AST Budget over the summer. Vice Principal (External) further noted that this matter had been discussed in detail at 2 AST Boards.</p> <p>Vice Principal concluded that the AST Budget painted a difficult picture, however levers were being pulled to rectify the situation and AST's External Auditors had reported that the Going Concern test had been passed.</p> <p>Interim Chair noted that the next year or so was critical for AST with regards to longer-term cashflow.</p> <p>Board Member queried whether the Board should be reviewing the proposed business model refresh. Vice Principal (External) noted that there would be further discussions on this at the next AST Board which would likely be escalated to Strategic Development Committee.</p> <p>Board APPROVED Paper 5.</p>	
9.1	<p>Strategic Risk Register</p> <p>Vice Principal (Operations) presented Paper 9 for information, which outlined plans for changes to the way Risk is monitored, noting that the proposals had been subject of lengthy discussion at Audit Committee.</p> <p>Vice Principal (Operations) advised that the model would be fully populated by the next Board Cycle and would include a dashboard approach for presentation purposes.</p> <p>Interim Chair queried the issue of Risk Appetite noted in paper. Vice Principal (Operations) advised that this would be reviewed once the model fully is populated.</p> <p>Chair of Audit also noted the refinement of strategic risks in terms of</p>	

	<p>reducing the number of these presented to Board, albeit with the opportunity to drill down if required, with monitoring of some risks delegated to the appropriate committee.</p> <p>Board NOTED Paper 9.</p>	
9.2	<p>KPIs & Balanced Scorecard</p> <p>Depute Principal provided a verbal update on the Balanced Scorecard, advising that staff teams were being tasked with generating plans for achieving KPIs within their areas, with Board receiving a concise version. It is intended that this will provide a full and meaningful Balanced Scorecard during Board Cycle 3.</p> <p>Interim Chair asked how quickly would the Board know that the plan was working. Depute Principal noted that some targets are set annually however the data presented during Cycle 3 should give clear indication to the levels of progress.</p> <p>Chair of Strategic Development Committee expressed support for the approach being taken, and encouraged SMT to challenge CMT to opt for stretch targets while keeping in mind the vision of the 5-year plan.</p> <p>Interim Chair suggested that a review of how the system is working in practice should be built into the June Board.</p>	
9.3	<p>Amendments to the Code of Good Governance</p> <p>Clerk advised Board that the Good Governance Steering Group had reported that the legislation around Trade Union membership on College Boards is likely to be enacted by 2024, and that Boards are being encouraged to consider how observer status can be provided as an interim position until the legislation comes into force.</p> <p>Board noted these developments.</p>	
12	<p>HISA Perth Report</p> <p>Student Board Member presented Paper 11, noting that the annual HISA Perth Plan of Work would normally be presented during this Board cycle, however this was delayed due to officers being focused on Freshers. Student Board Member reported that the Plan was now completed for distribution.</p> <p>Student Board Member advised that the Perth Partnership Project had involved consultation with students resulting in key themes being developed, and an Action Plan has been formulated but is not yet fully approved.</p> <p>Interim Chair queried whether HISA Perth were satisfied with the</p>	

	<p>move from elected Student Voice representatives to voluntary reps. Student Board Member advised that this move had broadened representation and widened engagement and diversity.</p> <p>Board NOTED Paper 11.</p>	
13	<p>Minutes of Board Standing Committees</p> <p>Board NOTED the following minutes of Standing Committees:</p> <ul style="list-style-type: none"> • Chairs' Committee, 01 September 2022 • Learner Experience Committee, 08 September 2022 • Strategic Development Committee, 21 September 2022 • AST Board, 27 September 2022 • Finance & Resources Committee, 05 October 2022 • Audit Committee, 19 October 2022 	
10	<p>Date & Time of Next Meeting</p> <ul style="list-style-type: none"> • Thursday 22nd December 2022 at 5:00pm 	
11	<p>Review of Meeting</p> <p>Board confirmed that the meeting had been conducted in line with the Terms of Reference.</p>	

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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** ☒