

Board of Management

Minutes

Meeting reference: Board 2022-23/03

Date and time: Monday 27 March 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
Jenny Hamilton, Board Member
Fiona Martin, Board Member
Derek Waugh, Board Member
Margaret Cook, Principal & Chief Executive
Patrick O'Donnell, Staff Board member
Liam Fowley, Student Board Member

In attendance: Alastair MacColl, Chair UHI Court (Observing – until Item 7.1)
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: Heather Cormack, Board Member
Debbie McIlwraith-Cameron, Board Member
John Dare, Staff Board Member
Todor Pavlov-Kennedy, Student Board Member

Chair: **Graham Watson**

Minute Taker: Ian McCartney

Quorum: 9

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MINUTES

Item		Action
1.	Welcome and Apologies Interim Chair welcomed everyone to the meeting, and noted apologies. Interim Chair extended welcome to Alastair MacColl, Chair of UHI Court.	
2.	Additions to the Agenda There were no additions to the Agenda.	
3.	Declaration of Interest in any Agenda Item There were no declarations noted.	
4.	Minutes of Board of Management meeting, 22 December 2022 The minutes were APPROVED as an accurate record of the meeting.	
5.	Matters Arising <i>a) Historic Items relating to 20 October 2022</i> <u>Ref 6.2 – AST Budget 2022-23</u> AST Board Chair advised that, while the Going Concern test had been passed at the time of the last Board meeting, this position had been changed and the issue was being re-evaluated. This has resulted in the External Audit not being signed off at present. Action Update – External Auditor has now signed off AST accounts and this matter is now closed. <u>Ref 7.1 – Perth College Management Accounts to July 2022</u> Action – SMT to put recommendation to next Board re Catering (deferred to next Board meeting (March 2023)) Action Update – on Agenda (Item 7.2) <i>b) Current Items relating to 22 December 2022</i> <u>Ref 6.2 – External Audit Annual Report</u> Interim Chair reported that, following additional discussions re shortfall in governance processes identified within the External Audit Annual Report, Fiona Martin (Board Member) had resigned from the Board. Thanks to Fiona for her work as a Board Member were	

	<p>formally recorded.</p> <p>Interim Chair noted that the Regional Strategic Body had written to Board for clarification on the matter, and this will be responded to accordingly.</p>	
6.1	<p>UHI 2024 Update</p> <p>Interim Chair noted Paper 2 (supplied by UHI) providing high-level progress and workstream activities relating to the UHI 2024 project.</p> <p>Interim Chair advised that the work of the Programme Board continues and is getting closer to making key decisions and testing resilience, however it is equally clear that partners will soon need to see where investments are coming from.</p> <p>Interim Chair invited Chair UHI Court to provide perspectives from Strategy Group. Chair UHI Court noted that things were taking a bit more time due to the partnership approach involving all Academic Partners, however the aim was to have something signed off by UHI Court in June, accompanied by a route-map and delivery model signed off by the partnership. More broadly, progress was being made regarding the curriculum review, the 3 merging Colleges were expected to be working together from August, and the Strategy was as much about growth as efficiencies with a view to UHI being in a good position over the next decade.</p> <p>Principal noted good progress within the Shared Services workstream, including significant sign-up for a shared HR system (i-Trent).</p> <p>Interim Chair queried whether SFC had given any commitments to funding requirements. Chair UHI Court advised that it was too early to tell, and dialogue was ongoing, however it appeared that Scottish Government's expectation is large-scale change within a more integrated partnership.</p> <p>Board NOTED Paper 2.</p>	
6.2	<p>Interim Chair's Report</p> <p>Interim Chair advised that, in addition to UHI 2024 work per Item 6.1, he had participated in the CDN research phase relating to College Board Effectiveness Reviews.</p>	
6.3	<p>Principal's Report</p> <p>Principal advised that she too had participated in the CDN research phase relating to College Board Effectiveness Reviews before highlighting key aspects of Paper 3.</p>	

	<p>Principal drew attention to comments around HISA, which had followed extensive discussions at various committee meetings, and noted the drop in turnout in HISA elections at Perth from 8.8% in 2019/20 to 3.1% in the current year's elections, and further noted that less than half of classes have student voice reps. Principal was aware that there were developments in HISA, but struggled to see impact expected from funding provided.</p> <p>Student Board Member agreed that election turnout was disappointing but noted that the lack of student voice reps was a two-sided coin in that not being able to access college systems acted as a barrier to effective engagement – the proposed Data Sharing Agreement between UHI and HISA should help in this regard. Student Board Member noted that an Interim Chief Executive has now started with HISA, however it remained disappointing that the promised Student Voice Assistant recruitment had still not been concluded.</p> <p>Interim Chair queried whether the problem was local or regional. Principal suggested that not enough support was available locally to achieve what needs to be done given Perth's contribution to HISA funds, as made clear with lack of progress on Student Voice Assistant recruitment noted by Student Board Member.</p> <p>Board Member noted that student voice is a key element of HMI/QAA inspections, so this lack of engagement has concerning impacts. Principal advised that that very item was noted in the most recent HMI inspections both at Perth and across the Partnership.</p> <p>Student Board Member reiterated that the College leads on some aspect of student representation, not the Students' Association, and HISA would like to resolve this issue to ensure full accountability.</p> <p>Principal advised that HMI will present latest report within the next Board cycle.</p> <p>Board Member queried the current status of pay negotiations. Principal noted that a 2% offer had been made as part of national negotiations. The Scottish Government had been asked to review this within the last week but at this stage have not come back with an improved offer. Principal advised that TU's expectation is that Colleges would not pay for any uplift as it is recognised that the sector does not have capacity beyond the original offer – a new cabinet in Government may help move this forward.</p> <p>Board Member expressed concern at shortfall in HE recruitment and queried whether there had been any clarification around transfer of credits between HE and FE as discussed at joint meeting of Strategic Development and Finance & Resources committees. Principal noted that there had been no progress on this matter as yet.</p>	
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	Paper 3 was NOTED by the Board.	
7.1	<p>Corporate Parenting Strategy</p> <p>Depute Principal presented Paper 4, highlighting the main aspects of the Corporate Parenting Strategy tabled for approval, and advising Board of its duties and responsibilities around Corporate Parenting. Depute Principal noted that the strategy was updated from a previous version to reflect developments in good practice.</p> <p>Board Member agreed that the Board needs to be aware of the legal implications of Corporate Parenting responsibilities, before querying the implementation of the Key Contact Person. Depute Principal advised that this role falls under the remit of the Safeguarding Officer, supported by the Safeguarding Group.</p> <p>Board Member noted the College's responsibility to effectively promote Corporate Parenting and related services on the website, and queried whether there were plans to improve signposting in this regard. Depute Principal advised that this was in hand.</p> <p>Board Member noted that monitoring of impact will be crucial, and requested data on the impact of the current strategy, with particular relation to whether increased numbers of care-experienced students applying or being retained. Depute Principal AGREED that this should be provided and would seek to have this reported via Learner Experience Committee.</p> <p>Board Member asserted that the Strategy was fairly vague, open to massive interpretation, and lacking in tangible commitments. Depute Principal advised that it was difficult to be entirely prescriptive in this sphere of work, and pinning down actions may prove to be restrictive on individuals. Chair noted that the agreed impact report should provide this level of granularity.</p> <p>Board Member noted a number of grammatical errors and sought clarification on who the "we" is around decision as this may be open to interpretation. Subject to these corrections being processed, the Corporate Parenting Strategy was APPROVED by the Board.</p>	Depute Principal
7.2	<p>Catering Contract</p> <p>Depute Principal provided a verbal update on catering, noting that the current contract finishes on 30 June 2023, and that SMT had agreed to extend the current contract by 1 year to give proper time to investigate provision and alternatives, however Board was informed that it is unlikely that there would be many alternative options available.</p>	

	<p>Depute Principal noted the work conducted by HISA Perth around student usage of the service and attitudes to pricing, and advised Board that a Short-Life Working Group had been formed following reported losses in the service due to footfall not having recovered post-COVID.</p> <p>Chair queried the financial exposure to the College around reported losses. Vice Principal (Operations) advised that this amounted to circa £112k, including irrecoverable VAT and the continued provision of free breakfasts for students.</p> <p>Student Board Member asked whether the College should consider bringing the service in-house. Principal advised that this would require a TUPE transfer of staff which, when staff and pension cost increases that would result were taken into consideration, would cost the College more at the bottom line.</p> <p>Board NOTED the verbal update.</p>	
7.3	<p>Development Trust</p> <p>Vice Principal (External) presented Paper 5, noting the background behind the Paper and the background research undertaken to reach the conclusions and recommendations made, and seeking endorsement for dissolution of the Development Trust. Vice Principal (External) advised Board on how the staff provision would be taken forward within the new structure.</p> <p>Board Member queried the long-term risk profile around cash accumulation if project takes off. Vice Principal (External) advised that UHI would hold funds before transfer to Perth College, therefore the issue is more likely to be around locally-raised items. Vice Principal (Operations) further advised that specific cash can be ring-fenced for a period.</p> <p>Board Member sought clarification on the governance impacts in outsourcing to the UHI Development set-up. Vice Principal (External) advised that there will be different Campaign Boards for specific projects, reporting into a local Board Committee.</p> <p>Board APPROVED Paper 5</p>	
8.1	<p>Curriculum Review</p> <p>Vice Principal (Academic) presented a presentation to Board around the recent Curriculum Review, noting that this was a local review with a strategy to create synergy with UHI objectives and wider Scottish priorities.</p> <p>Vice Principal (Academic) noted that there was a need to focus on</p>	

	<p>those potential students not participating in education, and identified the impact of demographic changes on course provision, before summarising the new and retiring provision across 4 sector areas.</p> <p>Vice Principal (Academic) advised that a summary of the work completed by each of the 4 sector areas would be collated and issued to the Board in due course.</p> <p>Chair thanked Vice Principal (Academic) for the presentation and opened proceedings up for comment and scrutiny.</p> <p>Board Member sought clarification around the balance of courses in and out, and how this would impact on staffing levels. Vice Principal (Academic) clarified that there would be no resultant increase in staffing levels as there would be transfer between courses.</p> <p>Chair queried whether work had been conducted around course profitability to support the review. Vice Principal (Operations) advised that a first draft of course profitability was due to be completed within the week, and the final version would be ready by the end of April 2023.</p> <p>Board Member queried the potential impact on recruitment processes re changes to marketing. Vice Principal (Academic) reported that this was all in hand.</p> <p>Board Member noted that, while the presentation was informative, there were no supporting papers and queried whether there would be a full report being tabled at a future committee for further discussion. Principal suggested that the matter could be further discussed a Learner Experience Committee. This approach was AGREED.</p> <p>Principal advised Board that the link with the UHI Curriculum Review will continue to evolve.</p>	
9.1 & 9.2	<p>Perth College Management Accounts to 31 January 2023 & Perth College Budget Reforecast 2022/23</p> <p>Vice Principal (Operations) presented Paper 6, noting the cash deficit being recorded, and advised that the outlook did not look any better due to projections of approx. 400 FTE shortfall on HE credits (representing around £2m).</p> <p>The position also reflected an increase in salaries by 6% (3% more than budget, and adding around £2.7m in staffing costs) – 6% equates to the levels of increase in teaching, and it would appear unlikely that the College sector will be less than this. Commercial operations were looking at a small combined net loss.</p> <p>Moving on to Paper 7, Vice Principal (Operations) confirmed that</p>	

	<p>£2m will be held back by EO, with the Financial Forecast Return reflecting this, resulting in a £2.2m reduction in income for the year, whilst staff and non-staff costs are in line with budget. As a result, the FFR shows an AOP loss of £2.3m.</p> <p>Vice Principal (Operations) advised that cash remains a concern for the College, and early access to next year's SFC funds may require to be sought.</p> <p>Board Member queried whether the £2m being withheld was due to the likelihood of SFC requesting clawback. Vice Principal (Operations) confirmed this was the case.</p> <p>Chair queried what steps were being taken to address this issue at UHI level. Principal advised that the UHI Curriculum Review was being used as the main lever to address, but this doesn't kick in until 2024/25. Principal further advised that there was no shortage of HE applications but that conversion rates were unknown as UHI tends to be seen as the "insurance option".</p> <p>Board Member asked where EO were placed in terms of being lenders to Perth College. Vice Principal (Operations) noted that the issue was cross-partnership and, despite sitting on approx. £26m in case, liquidity ratios were unclear.</p> <p>Principal reassured Board that SMT are very much aware of the issues and what may need to be done, however it is difficult to make any recommendations without sight of a budget from SFC/RSB.</p> <p>Staff Board Member noted that Perth College was not doing nothing, for example the work being done on the local Curriculum Review. Chair agreed, however noted the need for the taps to turn quickly.</p> <p>Board Member advised that the Board should consider being more high profile regarding wider sector funding issues under the Board's governance responsibilities.</p> <p>Board NOTED Papers 6 & 7.</p>	
10.1	<p>HISA Perth Report</p> <p>Student Board Member presented Paper 8 for information, highlighting that the HISA Perth elections had returned a new President and Depute President Activities & Welfare, however a by-election would be required for the role of Depute President Education, which remained unfilled despite a number of candidates being fielded.</p> <p>Student Board Member drew particular attention to the forthcoming OBIs, the End of Year Bash, funding bids around the Cost of Living Campaign, and follow-up activities around the student food</p>	

	<p>consultation.</p> <p>Principal recognised the hard work that the HISA Perth team had put into the year so far.</p> <p>Board NOTED Paper 8.</p>	
11.1	<p>Balanced Scorecard</p> <p>Depute Principal presented Paper 9, and explained that Balanced Scorecard of 13 KPIs would be presented on a quarterly basis with the full suite of KPIs provided for information annually. Depute Principal advised that Lead Authors would be made available to present at specific Board and Committee meetings if desired.</p> <p>Depute Principal further noted that SMT would meet with CMT on a quarterly basis to take the KPIs forward, and that a mapping process was being undertaken to ensure effective monitoring and to clarify areas of responsibility across SMT and CMT.</p> <p>Board NOTED Paper 9</p>	
12	<p>Standing Committee Summaries</p> <p>Board received summaries from the Chairs of each Standing Committee and NOTED the following minutes:</p> <ul style="list-style-type: none"> • Chairs' Committee, 31 January 2023 • Learner Experience Committee, 08 February 2023 • AST Board, 23 February 2023 • Joint Strategic Development and Finance & Resources Committees, 02 March 2023 • Audit Committee, 13 March 2023 	
13	<p>Date & Time of Next Meeting</p> <ul style="list-style-type: none"> • Wednesday 07 June 2023 at 5:00pm 	
14	<p>Review of Meeting</p> <p>Board confirmed that the meeting had been conducted in line with the Terms of Reference.</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 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** ☒