

Finance and General Purposes Committee

Agenda

Meeting reference: F&GP2018-19/04

Date: Wednesday 22 May 2019 at 5.30pm

Location: Room 019

Purpose: Scheduled meeting

* Denotes items for discussion.

Members should contact the Secretary in advance of the meeting if they wish to request an item be starred.

	Agenda Items	Author	Led by	Paper
1	Welcome and apologies		Chair	
2	Additions to the Agenda		Chair	
3	Declaration of a Conflict of Interest in any Agenda Item			
4	Minutes of the Meeting of the Finance and General Purposes Committee held on 27 February 2019		Chair	Paper 1
5	Actions arising from previous minutes			
6	Accounts			
*6.1	Perth College Management Accounts – 9 months to 30 April 2019	Head of Finance	Head of Finance	Paper 2 (To follow)
*6.2	Perth College Group Forecast to year end 31 July 2019	Head of Finance	Head of Finance	Verbal
*6.3	AST Management Accounts – 9 months to 30 April 2019	Head of Finance	Head of Finance	Paper 3 Closed (To follow)
7	Indicative budget for 2019-20	Head of Finance	Head of Finance	Paper 4 (To follow)
8	Reporting			
8.1	Revised Balanced Scorecard	Project & Planning Manager	Principal	Paper 5

9	Estates			
*9.1	Estates Update		Depute Principal (Academic)	Paper 6
10	Human Resources			
*10.1	Human Resources Update		Depute Principal (Academic)	Paper 7
11	Aviation Academy for Scotland – Tay Cities Deal		Depute Principal (External)	Paper 8
12	Standing Committees			
	<p>Joint Negotiating Committee</p> <ul style="list-style-type: none"> • Support Staff – 7 March 2019 • Lecturers – 7 March 2019 			<p>Paper 9</p> <p>Paper 10</p>
13	<p>Date and Time of next meeting</p> <p>- To be confirmed</p>			
14	Review of meeting (to include check against the Terms of Reference to ensure all competent business has been covered)			Paper 11

Finance and General Purposes Committee

Draft Minutes

Paper 1

Meeting reference: FGP2018-19/03
Date and time: Wednesday 27 February 2019 at 5.30pm
Location: Room 019

Members present: Margaret Cook, Brian Crichton, Deborah Hutchison, Harold Gillespie, Craig Ritchie

In attendance: Katrina Hodgson, Co-opted Board Member
Lorenz Cairns, Depute Principal (Academic)
Veronica Lynch, Vice Principal (External)
Andrea Saunders, Head of Finance
Gilbert Valentine, Head of Estates, for item 9
Maureen Masson, Secretary to the Board of Management

Apologies: David Littlejohn, Susan Hunter

Chair: Harold Gillespie
Minute Taker: Maureen Masson
Quorum: 3

Summary of Action Items			
Ref	Action	Responsibility	Time Line
7	Balanced Scorecard Review Balanced Scorecard for implementation during Academic Year 2019/20	Principal	For discussion and approval at next set of meetings
8	Learning Centres (closed) Include this item on the agenda for the next Board meeting	Secretary	Next Board meeting
9	Estates Update and Tenders Provide an update to the Board at next Board meeting	Depute Principal (Academic)	Next Board meeting

Minutes:

Item

1. Welcome and Apologies

The Chair welcomed everyone to the meeting and apologies were noted. Katrina Hodgson, a new co-opted Board Member, was welcomed to her first meeting of F&GPC. In the absence of the Chair,

Action

the Vice-Chair would lead the meeting.

2. Additions to the Agenda

There were no additions to the agenda. The Committee noted there would be no HR paper for consideration as the Head of HR and OD was currently off sick.

3. Declaration of Interest in any Agenda Item

There were no declarations of a conflict of interest.

4. Minutes of Meeting held on 28 November 2018

The minutes were approved as a correct record.

5. Matters Arising from Previous Minutes

4 Minutes of Meeting held on 25 September 2018

Action: Update templates in the new year

Action Update: complete

7.1 Estates Update

Action: Defer to Audit Committee on whether an estates risk relating to funding be included as a separate risk in the Risk Register or given greater prominence in the existing estates-related risk

Action Update: Complete. Audit Committee had discussed the estate risk at the last meeting

7.2 Residences – Option Appraisal

Action: Include the residence matter on the Board agenda for the December meeting

Action Update: Complete – the Board approved the recommendation made by F&GPC at the last meeting

8 & 9.1 Implementing Lean and Efficiency Savings

Action: Provide an update bi-annually on lean and efficiency savings

Action Update: a paper will come to the next F&GPC meeting on this

10 HR Report

Action: Prepare an HR report for next meeting including on sickness absence figures

Action Update: This was not on the agenda due to unforeseen circumstances

6 Accounts

***6.1 Perth College Management Accounts – 6 months to 31 January 2019**

The Head of Finance introduced the paper. The pay and non-pay expenditure were on track to the end of period 5 and finance staff continued to work closely with budget holders to ensure expenditure remained within budget.

The Committee welcomed the new format for the accounts and agreed they were more user friendly. A query was raised in relation to estates expenditure which was higher than expected, but the Head of Finance explained that the figures would be brought back on track when estates income was released. All income streams were under review and there was nothing of concern. The Committee noted that additional government funding would cover the pay element of national bargaining, but that the cost of living element of the pay award was not funded and had to be met from College budgets.

Accounting for tuition fees would be revised to make that clearer going forward. A number of other queries were clarified and the Committee noted the accounts at the six month position. It was agreed to remove reference to named individuals.

***6.2 Perth College Group Forecast to year end 31 July 2019**

The Vice Principal updated the Committee on the forecast to the year-end. The forecast could not be finalised at this stage because of a number of factors in relation to the permanisation of staff. In addition, further work was required to clarify an inconsistency that had emerged in the balance sheet, and advice was being sought from the internal auditors, as there may be reputational risk exposure. Once the advice was available, a full update would be provided to the Board.

***6.3 AST Management Accounts – 6 months to 31 January 2019 - Closed**

The Committee noted the accounts and commentary for the 6 month position. There were no matters of concern at this stage. A re-forecasting exercise was currently ongoing. This would reflect an increase in staff costs relating vacancies which had been filled and the pay award, which had been accepted. The Committee found it helpful to receive the debt profile and the Head of Finance explained work ongoing to manage debt patterns.

The Principal reported that the post of General Manager was about to be advertised.

7 Reporting

***7.1 Balanced Scorecard**

The Principal introduced the F&GPC Balanced Scorecard indicators. The Principal also outlined that the Balanced Scorecard was under review and that a new, more strategic scorecard would be developed for Academic Year 2019-20. The scorecard aimed to show progress against strategic plan deliverables and the Committee further noted that a new Revised Strategic Plan would be developed during 2020.

Principal

8. Learning Centres (Closed)

The Depute Principal introduced this item. The papers set out the findings of a fact-finding exercise conducted by the Head of Student Experience and the current financial position associated with the operation of the Learning Centres. The Committee noted the rationale for the arguments to close the centres particularly given the current funding environment and that the majority of the offer was for leisure, not learning purposes.

The Committee discussed the impact this decision might have in relation to student recruitment. F&GPC noted the College works closely with schools to promote opportunities but it was recognised that outreach to rural schools was more challenging compared to city schools.

Following discussion of all of the evidence, the Committee agreed to recommend to the Board the closure of the three learning centres. F&GPC further recommended that the press and PR aspects related to the closure of the leisure centres be carefully managed to minimise any adverse publicity.

Secretary

9 Estates Update (Closed)

The Director of Estates attended to present this item.

Condition Survey

The Committee noted the College condition survey outcomes and the items that were identified for renewal/upgrade. SFC funding would address some of the priority issues, but a funding gap remained for some other estates work.

CCTV

The Committee noted the benefits of overhauling and extending the CCTV system across campus. No formal approval was required for this project as this total cost was below the delegated levels.

Goodlyburn Boiler Replacement

The original tender for this was undertaken in 2016-17 and a preferred tenderer was identified, but no funding was identified at that time. Funding was now available and the work would be undertaken during the summer of 2019. The Committee noted that the preferred tenderer would abide by the original estimate adjusted for an inflationary uplift. F&GPC **approved** the appointment of the preferred tenderer at the agreed amount uplifted for inflation.

Properties

Flat at 28 Morris Court

The Board had already agreed this disposal at an earlier meeting.

Chief Caretakers house at Appin Terrace entrance

F&GPC noted the merits and demerits of selling the property and **approved** the recommendation that the house is retained for appropriate College use.

Lead caretakers house at Brahan Entrance

The Committee **approved** the recommendation that the house is retained for appropriate College use pending developments related to the Tay Cities deal.

Flat at Webster providing accommodation for the student warden

The Committee **approved** the recommendation that the house is retained for College use.

Provision of callout responses and out-of-hours

The Committee **noted** the proposals to review the callout arrangements.

Kinross Learning Centre

The Committee **approved** the recommendation to review the viability of use of the Learning Centre, dependent on the Board's decision on the future of the Learning Centres.

Tenders

The Committee agreed to recommend to the Board the extension of the Sodexo tender for a further year. This would provide sufficient time for a tender timeline to be established and the advert to be placed in the OJEU. The residences tender would also be extended for one year.

Secretary

10 Human Resources Update

No update provided

11 Joint Negotiating Committee

The minutes for the following meetings were noted:

- Support Staff – 13 December 2018
- Lecturers – 13 December 2018

F&GPC noted that a further strike day was planned for 6 March 2019 and that further action 'short of a strike' was planned.

11 Date of Next meeting

22 May 2019 at 5.30pm

12 Review of Meeting

The Committee agreed the meeting had covered its Terms of Reference.

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 with removal of Papers 3, 5 and 6

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**

Committee	Finance & General Purposes Committee
Subject	Perth College Management Accounts P9 2018/19
Date of Committee meeting	22/05/2019
Author	Andrea Saunders/Lynne Griffin
Date paper prepared	17/05/2019
Executive summary of the paper	Perth College Management Accounts Q3 to 30 th April 2019
Consultation How has consultation with partners been carried out?	Click or tap here to enter text.
Action requested	<input type="checkbox"/> For information only <input checked="" type="checkbox"/> For discussion <input type="checkbox"/> For recommendation <input type="checkbox"/> For approval
Resource implications (If yes, please provide details)	No
Risk implications (If yes, please provide details)	No
Link with strategy Please highlight how the paper links to the Strategic Plan, or assist with:	N/A

<ul style="list-style-type: none"> • Compliance • National Student Survey • partnership services • risk management • other activity [e.g. new opportunity] – please provide further information 	
<p><u>Equality and diversity</u></p> <p>Yes/ No</p> <p>If yes, please give details:</p>	No
<p>Island communities</p> <p>Does this activity/ proposal have an effect on an island community which is significantly different from its effect on other communities (including other island communities)?</p>	<p>No</p> <p>If yes, please give details:</p> <p>Click or tap here to enter text.</p>
<p><u>Data Protection</u></p> <p>Does this activity/ proposal require a Data Protection Impact Assessment?</p>	<p>No</p> <p>Click or tap here to enter text.</p>
<p>Status (e.g. confidential/non confidential)</p>	Non Confidential
<p>Freedom of information</p> <p>Can this paper be included in “open” business?*</p>	Yes

* If a paper should **not** be included within ‘open’ business, please highlight below the reason.

Its disclosure would substantially prejudice a programme of research	<input type="checkbox"/>	Its disclosure would substantially prejudice the effective conduct of public affairs	<input type="checkbox"/>
Its disclosure would substantially prejudice the commercial interests of any person or organisation	<input type="checkbox"/>	Its disclosure would constitute a breach of confidence actionable in court	<input type="checkbox"/>
Its disclosure would constitute a breach of the Data Protection Act	<input type="checkbox"/>	Other [please give further details] Click or tap here to enter text.	<input type="checkbox"/>

For how long must the paper be withheld? [Click or tap here to enter text.](#)

Further guidance on application of the exclusions from Freedom of Information legislation is available via:

<http://www.itspublicknowledge.info/ScottishPublicAuthorities/ScottishPublicAuthorities.asp>

and

http://www.itspublicknowledge.info/web/FILES/Public_Interest_Test.pdf



**PERTH COLLEGE UHI
MANAGEMENT ACCOUNTS FOR 9 MONTHS TO 30 APRIL 2019**

HEADLINES FOR F&GPC 22nd May 2019

Overall Financial Position to P9 is ahead of budget by £150k

INCOME

Main variance in income is ESIF – we're still being prudent here and are not currently recognising any income for 2018/19.

Childcare income has recovered against budget but excess will be returned for use within the UHI Partnership where possible.

Estates income is also behind to P9 but spend will ramp up towards the summer and income will offset the spend. Backlog Maintenance works will be undertaken in the next couple of months to maximise use of the ringfenced funding.

PAY COSTS

Overall pay costs are underspent against budget to P9 by £337k and is attributable to Teaching Departments.

The underspend will continue to the year end due to the over budgeting of pay awards. Martin has made considerable progress with our new Salary Analysis Model and we will use this to further analyse salaries in more detail for future reporting.

NON PAY COSTS

Non Pay Costs are under budget to P9 by £219k and is due to the slow spend in Estates (£443k) and IT (£106k).

HR and Finance have incurred unbudgeted Non Pay Spend on Agency staff totalling £165k (£109k HR and £56k Finance). Finance have a corresponding underspend in salary costs of £43k

OVERVIEW

The College are ahead of budgeted I&E position to P9, reporting a favourable variance of £150k. Income is under recovered against budget due to our prudent approach in not recognising ESIF Income in the year. Salary expenditure is under budget to P7 by £337k and this is attributable to Academic Teaching Departments. Non Pay Expenditure is also behind budget to the period (£219k) and is due to end loaded Estates expenditure.

I&E Structure	Final Manaccs	Budget to P9 2018/19 £'000	Actual to P9 2018/19 £'000	Bud v Act to P9 2018/19
Income	Funding Council Grants excluding Research based	- 11,310	- 10,892	- 418
	Tuition Fees & Education Contracts	- 2,714	- 2,759	46
	Catering & Residences	- 903	- 915	12
	UHI Non Recurrent Income	- 125	- 106	19
	Other Income Generating Activities	- 1,070	- 1,078	8
	Research Centre Activity Income & Grant Funding	- 291	- 125	166
	Release of Deferred Capital Grant	- 147	- 147	-
	ASW & Climbing Wall	- 321	- 350	29
	Other Income	- 688	- 711	23
	Bursary/ Hardship Grant (Excluding Childcare)	- 1,878	- 1,958	80
Income Total		- 19,447	- 19,042	- 405
Pays	Teaching Departments	8,294	7,900	394
	Teaching Support Services	1,126	1,095	32
	Administration & Central Services	1,450	1,496	46
	Premises	623	635	11
	Other Income Generating Activities	469	453	16
	Research Centre Activity Income & Grant Funding	179	182	3
	ASW & Climbing Wall	286	331	45
Pays Total		12,427	12,091	337
Non Pay Expenditure	Teaching Departments	554	554	0
	Teaching Support Services	419	303	116
	Administration & Central Services	978	1,128	150
	Premises	1,191	749	443
	Catering & Residences	836	935	99
	Other Income Generating Activities	265	279	14
	Interest Payable	12	11	1
	Other Expenses - Childcare	319	288	31
	Research Centre Activity Income & Grant Funding	26	24	2
	ASW & Climbing Wall	161	189	28
	Depreciation	696	697	1
	Bursary/ Hardship Grant (Excluding Childcare)	1,878	1,958	80
Non Pay Expenditure Total		7,334	7,116	219
Grand Total		315	164	150

INCOME

Income generated to P9 totals £19,042k against a budget of £19,447k, resulting in an adverse variance of £445k. The largest adverse variance is in Funding Council Grants (£418k) and is primarily due to ESIF Funding. In addition, Research income is behind budget by £166k to P9.

Income Stream	Budget to P9		Actual to P9		Bud v Act to P9	
	2018/19	£'000	2018/19	£'000	2018/19	
Funding Council Grants excluding Research based	-	11,310	-	10,892	-	418
Tuition Fees & Education Contracts	-	2,714	-	2,759		46
Catering & Residences	-	903	-	915		12
UHI Non Recurrent Income	-	125	-	106	-	19
Other Income Generating Activities	-	1,070	-	1,078		8
Research Centre Activity Income & Grant Funding	-	291	-	125	-	166
Release of Deferred Capital Grant	-	147	-	147		-
ASW & Climbing Wall	-	321	-	350		29
Other Income	-	688	-	711		23
Bursary/ Hardship Grant (Excluding Childcare)	-	1,878	-	1,958		80
	-	19,447	-	19,042	-	405

FUNDING COUNCIL GRANTS

Grant Description	Budget to P9		Actual to P9		Bud v Act to P9	
	2018/19	£'000	2018/19	£'000	2018/19	£'000
FE Main Recurrent Grant	-	5,119	-	5,083	-	36
HE Main Recurrent Grant	-	4,376	-	4,376		0
National Bargaining Pay Pressures	-	589	-	589		-
FE Estates Grant	-	414	-	175	-	239
HE Estates Grant	-	177	-	120	-	56
FE Childcare	-	319	-	288	-	31
ESIF	-	224	-	-	-	224
Additional RAM	-	180	-	180		-
PDGE Grant	-	108	-	108	-	0
ESOL Grant	-	15	-	20		5
EMA Support for Admin	-	6	-	6		-
Knowledge Transfer Grant	-	-	-	22		22
MicroRam	-	216	-	76		140
TOTAL FUNDING COUNCIL GRANTS	-	11,310	-	10,892	-	418

Funding Council Grants are behind budget to P9 by £418k, with the main adverse variance being attributable to the non-recovery of ESIF Grant income (£224k) and is due to the collective UHI partnership colleges not meeting amalgamated additional credit targets to P9. ESIF grant income is only recoverable where the net credit attainment across all partners exceeds targets and by P9,



FUNDING COUNCIL GRANTS (cont)

confirmed credits are significantly behind. The full year income budget here is £298k and will consequently result in an adverse variance against budget of this value by year end.

In addition, FE Childcare income is lower than budget by £31k and is due to lower than anticipated spend to P9. Spend has ramped up in the last two months but will tail off now due to classes ending for the summer. A redistribution of Hardship and Childcare income will be made across the UHI Partnership so that optimisation of these budgets is achieved.

Estates Grant generated to P9 totals £295k and is lower than budget by £295k. Estates Grant is budgeted in flat 12ths but is released against spend throughout the year while Estates spend is end loaded with most works being completed in the summer months and so will ramp up to the financial year end.

These adverse variances are partially offset by a reduction in the budgeted cost of the MicroRam for the financial year. As net payers to the MicroRam model, the budgeted cost to P9 totals £-216k but the model has now been completed for 2018/19 and the updated actual position to P9 is £-76k, resulting in a positive variance against budget of £140k.

TUITION FEES

Fees have been calculated assuming the total amount budgeted for will be achieved. The accounting for and reporting of tuition fees will be developed in the coming months and implemented in the new financial year.

UHI NON RECURRENT GRANTS

College Area	Budget to P9 2018/19		Actual to P9 2018/19		Bud v Act to P9 2018/19
	£'000	£'000	£'000	£'000	
Academic Central Administration	-	-	2	-	2
Central Administration	-	17	104	-	86
CI - Music and Music Business	-	104	-	-	104
Quality Assurance	-	4	-	-	4
	-	125	106	-	19

UHI non recurrent grants are slightly behind budget to P9 by £19k. This is due to a miscoding of income currently shown under Funding Council Grants and is correct to the period.



CATERING & RESIDENCES

The accounting for Catering & Residences requires review and this will be undertaken before the financial year end. For now, Income and Expenditure are simply matched off against each other and this has been the historical treatment.

OTHER INCOME GENERATING ACTIVITIES

Other Income Generation Area	IT	Budget to P9 2018/19 £'000	Actual to P9 2018/19 £'000	Bud v Act to P9 2018/19
Science, Technology, Engineering & Maths	-	420	451	31
Health, Education & Social Sciences	-	81	104	23
Nursery	-	225	240	15
Language School	-	85	95	10
International - Fees	-	3	1	2
Creative Industries	-	73	66	8
International - Accommodation	-	90	62	28
Business, Management, Computing & Leisure	-	92	59	34
Grand Total	-	1,070	1,078	8

Total Commercial Income to P9 is £1,078k and is on budget.

Nursery fees to P9 exceed budget by £15k and are due to a catch up in fees generated in the last quarter.

International student fee income is included within the curriculum commercial activity figures. 9/12ths of this income has been taken into these accounts to allow it to be matched against expenditure to date.

Language School commercial income is £95K to P9 and exceeds budget by £10k. 9/12ths of the full time fee income has been taken into these accounts in order to flex it over the full year.

SCIENCE, TECHNOLOGY, ENGINEERING & MATHS

STEM other income to P9 exceeds budget by £31k and is due to higher than anticipated student numbers from our Chinese partner institution Hunan.

It should be noted that there may be certain expenditure incurred in relation to commercial activity that is not charged through the commercial cost centres. This is due to difficulties in being able to accurately split staff time and shared materials between academic and commercial use and this will be developed in the coming months.

RESEARCH CENTRES

Research Income Category	Budget to P9 2018/19 £'000	Actual to P9 2018/19 £'000	Bud v Act to P9 2018/19 £'000
CONSULTANCY INCOME	125	-	125
Higher Education - Part Time	40	40	0
OTHER INCOME	99	29	70
RESEARCH INCOME	28	56	28
Grand Total	291	125	166

The Centre for Mountain Studies have generated £125k of income to P9 against a budget of £291k with the largest adverse variance in Consultancy Income with no income generation to date. Income generation here is not expected to the year end and is the result of inaccurate budgeting that will be addressed in the new financial year.

EXPENDITURE

SALARY COSTS

Staff costs total £12,091k to P9 and are lower than budget by £337k with all of this underspend originating in Teaching Departments as per the summary below.

College Area	Budget to P9 2018/19 £'000	Actual to P9 2018/19 £'000	Bud v Act to P9 2018/19
Teaching Departments	8,294	7,900	394
Teaching Support Services	1,126	1,095	32
Administration & Central Services	1,450	1,496	46
Premises	623	635	11
Other Income Generating Activities	469	453	16
Research Centre Activity Income & Grant Funding	179	182	3
ASW & Climbing Wall	286	331	45
	12,427	12,091	337

TEACHING DEPARTMENTS

Teaching Departments generate all of the salary cost underspend against budget to P9 with an underspend of £394k. Of this underspend, £157k is due to over budgeting of salary costs – some academic salaries were included in the budget for the full year at the 2019/20 salary rates and, in addition, had a CoL rise added to this already over inflated cost. A further over budgeting of ON Costs can be seen where an assumption of 10.6% was used against the correct rate of 9.4%.

Salary modelling tools are currently under development and will provide further clarity on pay cost variances as we progress to the year end. The models will also be used to inform the 2019/20 budget as well as allowing salary forecasting in the new year.

ADMINISTRATION & CENTRAL SERVICES

College Area	Budget to P7 2018/19 £'000	Actuals to P7 2018/19 £'000	Bud v Act to P7 2018/19
Central Administration	-76	-33	-43
Finance Department	212	170	43
Human Resources and Organisational Development	166	196	-31
Health and Safety	21	18	3
Information Systems	221	238	-17
Marketing Department	111	72	39
Development Trust	14	14	0
Materials Development	65	60	6
Procurement	13	88	-75
Senior Management	381	348	33
Grand Total	1,128	1,170	-42

Administration and Central Services total salary costs exceed budget by £42k to P9 as shown above with the largest individual adverse variance seen in Procurement (£75k), HR (£30k), and additional overspends being incurred within Central Administration (£43k) and Information Systems (£17k).

These overspends are partially offset by underspends in Finance (£43k), Marketing (£39k) and Senior Management (£33k). It should be noted that the underspend in Finance is fully offset by an overspend in Non Pay Costs due to the use of agency staff to bolster the finance function in the short term. The Marketing underspend is attributable to the vacant "Head of" post while the SMT underspend is due to the COO post being vacant and the Project Manager and Executive Team PA roles pay costs being coded elsewhere (AGC01 and ACA05 respectively).

PROCUREMENT

Unbudgeted spend in Procurement has been incurred due to recent staff changes which have now been resolved. As a result unbudgeted spend will cease but the overspend will remain to the year end.

The accounting for this has been fully reviewed in P9 and costs have been offset against 2017/18 accruals where possible.

HR

HR salary costs have exceeded budget to P9 by £31k and includes a cost of £16k for an unbudgeted Equality & Diversity Officer and academic area long term sickness costs.

Sickness Absence cover costs totalling £25k to P9 and a summary of these costs by academic area are included below for your information.

HR (cont)

College Area	Actual to P9 2018/19 £'000
Business, Management, Computing & Leisure	8
Creative Industries	3
Health, Education & Social Sciences	3
Science, Technology, Engineering & Maths	10
Grand Total	25

PREMISES

Estates Area	Budget to P9 2018/19 £'000	Actual to P9 2018/19 £'000	Bud v Act to P9 2018/19 £'000	
Property - Soft Facilities Management	453	458	-	4
Property Costs - Central	104	107	-	3
Halls of Residence	-	2	-	2
Property - Hard Facilities Management	66	68	-	1
Grand Total	623	635	-	11

Estates salary costs are slightly over budget to P9 by £11k and are due to the impact of national bargaining shift allowances and under budgeting of CoL rises. These shift allowances will be captured in the salary modelling for 2019/20 to ensure a realistic cost base for Estates staff.

OTHER INCOME GENERATING ACTIVITIES

Salary costs to P9 under Other Operating Income college areas are lower than budget by £16k with the largest underspend attributable to the International Centre (£48k). The underspend is partially offset by small unbudgeted spends in Engineering cost centres but it should be noted that this spend is offset by commercial income.

The International underspend is due to the vacant "Head of" post and will continue to the financial year end.

Other Income Generating Area	Budget to P9 2018/19 £'000	Actual to P9 2018/19 £'000	Bud v Act to P9 2018/19 £'000	
EST - Electrical And Mechanical Systems Comm Activity	-	12	-	12
EST - General - Comm Activity	-	10	-	10
EST - Electrical Installation Comm Activity	-	10	-	10
Language School - Comm Activity	12	16	-	4
International Centre	179	131	-	48
Grand Total	469	453	-	16

ACADEMY FOR SPORT & WELLBEING

The Academy of Sport & Wellbeing have incurred staffing costs totalling £331k to P9, exceeding budget by £45k. The additional staffing costs are due to the facility opening over the Festive Period where these additional staffing costs were not included in the original budget and for additional part time staff to cover increasing member numbers. Conversely, ASW have generated additional commercial income of £25k to P9 to partially offset these costs.

Other Income Generating Area	Budget to P9	Actual to P9	Bud v Act to P9	
	2018/19 £'000	2018/19 £'000	2018/19 £'000	
Academy of Sport and Wellbeing (ASW)	170	210	-	40
Climbing Centre	116	120	-	5
Grand Total	286	331	-	45

NON SALARY COSTS

Non Salary costs total £7,116k to P9 and are lower than budget by £218k. As the table below summarises, the largest contributor to this underspend is in Premises costs and this is due to the end loaded nature of this expenditure when compared to the flat profile of the budgeted spend. The spend profile of these costs will be incorporated into next year's budget and will eliminate these variances.

College Area	Budget to P9	Actual to P9	Bud v Act to P9	
	2018/19 £'000	2018/19 £'000	2018/19 £'000	
Administration & Central Services	978	1,128	-	150
Catering & Residences	836	935	-	99
Bursary/ Hardship Grant (Excluding Childcare)	1,878	1,958	-	80
ASW & Climbing Wall	161	189	-	28
Other Income Generating Activities	265	279	-	14
Depreciation	696	697	-	1
Teaching Departments	554	554	-	0
Interest Payable	12	11		1
Research Centre Activity Income & Grant Funding	26	24		2
Other Expenses - Childcare	319	288		31
Teaching Support Services	419	303		116
Premises	1,191	749		443
Grand Total	7,334	7,116		218

PREMISES

A further breakdown of Premises spend is included below and highlights that the slower than budgeted spend predominantly lies in "Hard Facilities Management" costs – or planned maintenance costs with an underspend against budget of £383k to P9. Summer works will significantly increase this spend in the coming months and a plan is underway to maximise spend of Backlog Maintenance Funding Grant (total funding received £426k).

PREMISES (cont)

Estates Area	Budget to P9 2018/19	Actual to P9 2018/19	Bud v Act to P9 2018/19
	£'000	£'000	£'000
Property Costs - Central	7	6	1
Property - Utilities	338	319	18
Property - Soft Facilities Management	100	60	40
Property - Hard Facilities Management	747	363	383
Grand Total	1,191	749	443

TEACHING SUPPORT

The other large underspend to P9 lies in Teaching Support Departments with spend here is lower than budget by £116k. The table below provides further detail on this variance and shows that underspends reside in IT spend.

The post of Head of IT has remained vacant during this financial year and as a result, spend in IT has been carefully monitored to date. An interim appointment into this post has allowed a spend plan to be created for the second half of the financial year and has resulted in ramping up of spend however, IT are likely to underspend against budget to the year end due to optimisation of Estates Grant funding where possible.

Teaching Support Area	Budget to P9	Actual to P9	Bud v Act to P9
	2018/19 £'000	2018/19 £'000	2018/19 £'000
Student Services	13	28	- 16
Quality Assurance	7	9	- 2
Learning Technologies Centre	1	1	1
Union Link	2	1	2
Library	54	29	25
ICT - General	341	235	106
Grand Total	419	303	116

Catering and Residences expenditure represents the College subsidy for refectory prices. The level of College subsidy will be reviewed for the new financial year to set it an appropriate level going forward. Our catering provision will be out for tender in the coming financial year and the level of the subsidy will form a material part of our requirement from the new provider.

Bursary/Hardship expenditure has topped out in P9 due to final invoices being received for student travel. As classes are now finishing up for the summer, budget will catch up with spend and this expenditure will end the year on budget.

ADMINISTRATION & CENTRAL SERVICES

In contrast to the areas of spend noted above, Administration and Central Services non pay costs exceed budget to P9 by £150k as detailed below.

Admin & Central Services Area	Budget to P9 2018/19	Actual to P9 2018/19	Bud v Act to P9 2018/19	
	£'000	£'000	£'000	
Human Resources and Organisational Development	106	213	-	107
Finance Department	5	65	-	61
Materials Development	119	136	-	17
Senior Management	19	31	-	12
Procurement	14	21	-	7
Health and Safety	3	4	-	1
Information Systems	218	218	-	0
Development Trust	2	2		1
Central Administration	403	393		10
Academic Central Administration	20	1		19
Marketing Department	70	43		27
Grand Total	978	1,128	-	150

The largest overspend against budget has been incurred in HR (£107k) due to consultancy costs incurred for a temporary staff members, recruited to provide specific project support during the year. These costs will continue to the year end as recruitment will not be completed before then.

Similarly, Finance continue to incur agency staff costs due to staff changes but it should be noted that these costs are partially offset by the underspend in Pay Costs to the period (£43k). This spend will be maintained to the year end to bolster the accounting function to develop financial controls and management accounting.

AUGUST 2017 - APRIL 2019				
Management Accounts				
Actual 9 MONTHS to 30-04-2018	PERTH COLLEGE GROUP			
	FINANCIAL STATEMENT			
	9 MONTHS to 30th April 2019			
	Actual 9 MONTHS to 30-04-2019 £000's	Budget 9 MONTHS to 30-04-2019 £000's	Budget 12 MONTHS to 31-07-2019 £000's	
INCOME				
10,751	Funding Council Grants excluding Research based	10,892	11,310	15,080
2,768	Tuition Fees & Education Contracts	2,759	2,714	3,618
654	Catering & Residences	915	902	1,203
0	European Income	0	0	0
113	UHI Non Recurrent Income	106	125	166
1,027	Other Income Generating Activities	1,078	1,070	1,427
213	Research Centre Activity Income & Grant Funding	125	291	388
148	Release of Deferred Capital Grant	147	147	196
235	ASW & Climbing Centre Income	350	321	428
554	Other Income	712	687	916
16,463	INCOME SUB TOTAL	17,085	17,567	23,423
2,025	Bursary/ Hardship Grant(Excluding Childcare)	1,958	1,878	2,503
18,488	TOTAL INCOME	19,042	19,445	25,927
EXPENDITURE				
Staff Costs				
7,779	Teaching Departments	7,900	8,294	11,059
1,080	Teaching Support Services	1,095	1,126	1,502
1,324	Administration & Central Services	1,496	1,450	1,933
0	Restructuring costs	0	0	0
590	Premises	635	623	831
253	ASW & Climbing Centre	331	286	381
445	Other Income Generating Activities	453	469	626
207	Research Centres	182	179	238
11,678	TOTAL STAFF COSTS	12,091	12,427	16,570
Non Staff Costs				
573	Teaching Departments	553	556	741
419	Teaching Support Services	304	420	560
1,126	Administration & Central Services	1,127	978	1,303
813	Premises	749	1,192	1,589
184	ASW & Climbing Centre	189	161	215
624	Catering & Residences	936	837	1,116
314	Other Income Generating Activities	281	265	354
28	Research Centres	24	26	34
349	Other Expenses - Childcare	288	319	425
0	Student Support Funds Overspend (incl. Childcare)	0	0	0
17	Interest Payable	11	12	16
715	Depreciation	697	696	928
5,163	NON STAFF COSTS SUB TOTAL	5,158	5,461	7,281
0	LESS:Reduction in Early Retirement Pension Provision	0	0	0
5,163	TOTAL NON STAFF COSTS	5,158	5,461	7,281
16,841	EXPENDITURE SUB TOTAL	17,249	17,888	23,851
2,025	Bursary/ Hardship Payments (Excluding Childcare)	1,958	1,877	2,503
18,866	TOTAL EXPENDITURE	19,207	19,765	26,354
(377)	COLLEGE SURPLUS/(DEFICIT)	(164)	(320)	(427)
87	PROFIT/(LOSS)CONTRIBUTION FROM A.S.T.	0	75	100
	EFFICIENCY SAVING	0	150	200
(290)	TOTAL GROUP SURPLUS/DEFICIT(-)	(164)	(95)	(127)
209	REVALUATION DEPRECIATION ADD BACK	163	209	279
(81)	Group Historical Cost Surplus/(Deficit) for the Period	(1)	114	152
0	Less: Transfers to ALF	0	0	0
(81)	Amount to be transferred to retained earnings	(1)	114	152

PERTH COLLEGE			
BALANCE SHEET			
as at 30th April 2019			
		AS AT 30/04/2019	AS AT 30/04/2018
		£000	£000
FIXED ASSETS			
TANGIBLE ASSETS		36,375	32,707
INVESTMENTS		20	20
		36,395	32,727
CURRENT ASSETS			
STOCKS		30	23
DEBTORS		1,699	1,511
CASH AT BANK AND IN HAND		2,114	1,799
AMOUNTS DUE FROM SUBSIDIARY COMPANY		0	0
		3,843	3,333
CREDITORS:AMOUNTS DUE WITHIN ONE YEAR			
BANK TERM LOAN		0	300
TRADE CREDITORS		293	339
OTHER TAXATION AND SOCIAL SECURITY		321	318
OTHER CREDITORS		171	204
ACCRUALS AND DEFERRED INCOME		5,215	3,858
DEFERRED INCOME - CAPITAL GRANT		50	99
UNSPENT STUDENT SUPPORT FUNDS		0	200
AMOUNTS DUE TO SUBSIDIARY COMPANY		0	0
		6,050	5,318
NET CURRENT ASSETS/(LIABILITIES)		(2,207)	(1,985)
TOTAL ASSETS LESS CURRENT LIABILITIES		34,188	30,742
CREDITORS:AMOUNTS DUE AFTER MORE THAN ONE YEAR			
PROVISION FOR LIABILITIES AND CHARGES / DEFERRED GRANT		5,412	5,413
LOANS		0	100
NET ASSETS Excluding Pension Liability		28,776	25,229
Pension Liability		2,883	8,979
NET ASSETS Including Pension Liability		25,893	16,250
REPRESENTED BY:			
DEFERRED CAPITAL GRANTS		0	0
REVALUATION RESERVES		17,786	14,096
DESIGNATED RESERVES		0	0
INCOME & EXPENDITURE ACCOUNT		10,990	11,132
PENSION RESERVE		(2,883)	(8,979)
TOTAL RESERVES		25,892	16,250
TOTAL		25,892	16,250
		0	-

PERTH COLLEGE						
GRANTS				9		
2017-18	ACTUAL V BUDGET		2018-2019	2018-2019	2018-2019	
9 MONTHS	to 30-04-2019		9 MONTHS	9 MONTHS	12 MONTH	
ACTUAL		CODE	ACTUAL	BUDGET	BUDGET	
					ACTUAL V BUDGET VARIANCE +/-	
5,108,552	FE MAIN RECURRENT GRANT		£5,671,985	£5,707,985	£7,610,646	(36,000)
429,825	FE LUPS	123	£0	£223,500	£298,000	(223,500)
5,538,377						0
4,577,497	HE MAIN RECURRENT GRANT	108	£4,664,062	£4,664,062	£6,218,749	(0)
-262,500	MICRORAM		-£75,750	-£216,000	-£288,000	140,250
422,810	CHILDCARE	524	£288,242	£318,750	£425,000	(30,508)
24,000	ADDITIONAL ESOL GRANT FUNDING	148	£19,792	£15,000	£20,000	4,792
0	ESIF DSW	125	£0	£0	£0	0
15,000	UHI KNOWLEDGE TRANSFER		£17,250	£0	£0	17,250
9,120	EMA ADMIN SUPPORT & OTHER SUNDRY GRANTS	121	£6,000	£6,000	£8,000	0
	CIAF College Innovation Fund	114	£0		£0	
178,049	ESTATES GRANT RELEASE - F.E.	386	£0	£0	£0	
	FE Funding Sanitary Products 18-19 - B801010.EPC15	613	£4,644	£0	£0	4,644
	FE CAPITAL Maintenance FUNDING 17-18- B801010 EPC01 387	387	£175,284	£0	£0	175,284
	ESTATES CAPITAL FORMULA FUNDING	388	£120,489	£413,888	£551,850	
144,112	ESTATES GRANT RELEASE - H.E.	385	£0	£176,628	£235,504	(176,628)
116,000	ESTATES GRANT RELEASE - FE 16-17	380	£0	£0	£0	0
0	ESTATES GRANT RELEASE - H.E.	379	£0	£0	£0	0
10,762,465			£10,891,998	£11,309,812	£15,079,749	135,084
12,707	LESS:UHI FUNDING SHOWN UNDER RESEARCH		£1	£0	£0	1
10,749,758		PER ACCOUNTS	£10,891,997	£11,309,812	£15,079,749	135,083
	UHI NON RECURRENT					
109,190	PL & Module Unit Payments (Excluding Research Centres)	U26 & U41	£103,547	£103,546	£138,061	1
3,375	EXAM BOARD	U11	£2,258	£4,500	£6,000	(2,242)
0	OTHER	U03/U23/U25 U04	£0	£0	£0	0
112,565			£105,805	£108,046	£144,061	(2,241)
112,565		PER ACCOUNTS	£105,805	£108,046	£144,061	(2,241)
10,862,323			£10,997,802	£11,417,857	£15,223,810	132,843

PERTH COLLEGE				
ESTATES /CAPITAL GRANT RELEASE - 2018-19				
MAKE UP OF FIGURES				
	CODE	2018-19 ORIGINAL BUDGET	EXPENDITURE April 2019 ACCOUNTS	COVERED BY GRANT RELEASE
Planned Building Maintenance etc	B 201001 EPC15	£787,354	-£3,376	-£3,376
FURNITURE BIDS	B 201001 EPC15 617	£0	£19,252	£19,252
Sanitary Products	B201001.EPC15 613	£0	£4,644	£0
Environmental Sustainability	B 201001 EPC15 619	£0	£2,593	£2,593
Brahan Refectory Furniture	B 201001 EPC15 620	£0	£0	£0
Summer Refurbishments	B 201001 EPC15 626	£0	£0	£0
Asbestos Removal	B 201001 EPC15 625	£0	£0	£0
Maintenance of Academic Equipment	B 201001 EPC15 635	£0	£5,330	£5,330
Fixed Wire Testing & Electrical Dist.	B 201001 EPC15 638	£0	£0	£0
Carbon Management	B 201001 EPC15 652	£0	£0	£0
Consultancy & Feasibility Studies	B 201001 EPC15 654	£0	£5,168	£5,168
Condition Survey Programme	B 201001 EPC15 655	£0	£83,500	£83,500
Fire Upgrade Works	B 201001 EPC15 656	£0	£0	£0
Security Improvements	B 201001 EPC15 657	£0	£0	£0
DDA Works	B 201001 EPC15 658	£0	£0	£0
Backlog Maintenance	B 201001 EPC15 690	£0	£0	£0
DDA Works	B 201001 EPC15 658	£0	£0	£0
Brahan One-Stop-Shop	B 201001 EPC15 689	£0	£19,283	£19,283
Home Economics RM 324	B 201001 EPC15 690	£0	-£9,708	-£9,708
Boiler Replacement	B 201001 EPC15 665	£0	£0	£0
Legionella Works	B 201001 EPC15 691	£0	£7,978	£7,978
Lift Replacment	B 201001 EPC15 581	£0	£0	£0
<i>Sub Total</i>		£787,354	£134,664	£130,020
ACADEMIC EQUIPMENT Curriculum RAG	B 702005 Various	£0	£0	£0
SOFTWARE	B 302051 BMI01	£30,000	£12,985	£12,985
<i>Sub Total</i>		£30,000	£12,985	£12,985
Total		£847,354	£147,649	£143,005
ALLOCATION TO PLANNED MAINTENANCE	B 201002 EPC15	£28,000	£75,383	£75,383
ALLOCATION TO UNPLANNED MAINTENANCE	B 201003 EPC15	£70,000	£77,385	£77,385
REVENUE EXPENDITURE FUNDED OUT OF ESTATES GRANT		£945,354	£300,417	£295,773
		£945,354	£300,417	£295,773

PERTH COLLEGE				
TUITION FEE SUMMARY			9	
ACTUAL 9 MONTHS to 30-04-2018	9 MONTHS to 30th April 2019	ACTUAL 9 MONTHS to 30-04-2019	BUDGET 9 MONTHS to 30-04-2019	BUDGET 12 MONTHS to 31-07-2019
2,874,577	H.E.FULL TIME	2,921,251	2,128,212	2,837,616
255,495	H.E.PART TIME	251,188	115,920	154,560
99,224	F.E.PART TIME	105,505	34,500	46,000
171,512	EVENING NON VOCATIONAL	138,670	141,750	189,000
0	CENTRAL ADMIN	0	0	0
23,147	OPEN/DISTANCE LEARNING	36,377	53,250	71,000
400	OPEN ACCESS	0	0	0
80,305	SKILLSEEKERS (Managing Agents)	69,017	105,000	140,000
145,562	TRAINING AGENCY - Mod Appr	178,625	135,000	180,000
15,554	SDS/Foundation Apprenticeships	20,138	0	0
1,700	Employability (Ready to Work)	0	0	0
1,200	Flexible Workforce Dev Fund	11,048	0	0
-900,250	MONTH END ACCRUAL (PREPAYMENT)	-972,936	0	0
2,768,425		2,758,882	2,713,632	3,618,176
BREAKDOWN OF F.E.P.T.				
40,999	ASC01 - 11 - 802202	44,584	9,750	13,000
0	ATC01 - 09 - 802202	0	0	0
0	ALT01/2	0	0	0
45,766	HIGHERS - 802215	53,737	20,625	27,500
0	EVENING VOCATIONAL - 802401	0	0	0
12,459	Academic Other Fees - 555/556/673 ETC.	7,184	4,125	5,500
0	ABD01 - ABD07	0	0	0
0	ATC01 - 07	0	0	0
99,224		105,505	34,500	46,000

PERTH COLLEGE					
INTERNATIONAL FEE SUMMARY				9	
ACTUAL 9 MONTHS to 30-04-2018	9 MONTHS to 30th April 2019		ACTUAL 9 MONTHS to 30-04-2019	BUDGET 9 MONTHS to 30-04-2019	BUDGET 12 MONTHS to 31-07-2019
UNDERGRADUATE					
0	Early Education Childcare	FSC03	3,000	0	0
4,882	Social Sciences	FSC04	9,675	9,750	13,000
3,750	Hospitality	FSC06	4,198	7,500	10,000
0	Business and Accounting	FSC07	1,875	0	0
4,882	Computing	FSC08	0	0	0
0	Sport and Fitness	FSC09	0	0	0
7,875	Music and Music Business	FTC02	9,750	0	
41,223	- Zhoukou	FTC02 867	41,250	48,750	65,000
1,875	Art and Creative Technologies	FTC03	6,750	6,075	8,100
7,380	Sound and Audio Engineering	FTC04	7,380	7,500	10,000
41,021	Aeronautical and Aircraft Engineering	FTC09	54,433	60,000	80,000
-12	- Zhenghou International Centre	FIC01 880	0		
0	- Zhenghou	FTC09 880	0	0	0
0	- Chenjdu	FTC09 873	0	0	0
0	Electrical and Mechanical Systems	FTC10 842	0	0	0
193,216	- Hunan	FTC00 842	179,606	172,500	230,000
69,780	- HUUC	FTC00 868	143,475	97,875	130,500
375,872	Total Undergraduate		461,392	409,950	546,600
POST GRADUATE					
4,497	Management	FSC05	6,551	7,500	10,000
		FIC01 L65	0		
4,497	Total Post Graduate		6,551	7,500	10,000
TOTAL			467,943	417,450	556,600

9 MONTHS ACTUAL to 30-04-2018	PERTH COLLEGE	9 MONTHS ACTUAL to 30-04-2019	9 MONTHS BUDGET to 30-04-2019	12 MONTHS BUDGET to 31-07-2018
	STUDENT RESIDENCES			
	INCOME			
£219,440	RENTAL INCOME	£227,551	£225,000	£300,000
£22,683	SUMMER LETS	£21,689	£45,000	£60,000
£2,821	SUNDRY INCOME	£2,550	£1,875	£2,500
£244,944	TOTAL INCOME	£251,790	£271,875	£362,500
	EXPENDITURE			
£12,741	UNPLANNED MAINTENANCE	£23,942	£15,000	£20,000
£20,407	ELECTRICITY, WATER & GAS	£14,701	£13,875	£18,500
£2,945	WARDEN SALARIES	£0	£0	£0
£3,070	EQUIPMENT/MATERIALS/HOSPITALITY	£1,918	£1,875	£2,500
£93	BANK CHARGES	£92	£0	£0
£8,250	Contract Cleaning of Halls	£8,475	£8,475	£11,300
£93,000	SUB CONTRACTED SERVICES - SYHA	£120,797	£97,500	£130,000
£20,414	AGENTS COMMISSION	£26,250	£26,250	£35,000
£160,920	TOTAL EXPENDITURE	£196,175	£162,975	£217,300
£84,024	SURPLUS / (DEFICIT) before Depreciation and Interest	£55,615	£108,900	£145,200
£64,625	DEPRECIATION	£64,625	£64,625	£86,166
£0	LOAN INTEREST	£0	£0	£0
£19,399	SURPLUS / (DEFICIT) after Depreciation and Interest	-£9,010	£44,276	£59,034
Done				
9 MONTHS ACTUAL to 30-04-2018	CATERING	9 MONTHS ACTUAL to 30-04-2019	9 MONTHS BUDGET to 30-04-2019	12 MONTHS BUDGET to 31-07-2018
	INCOME			
£119,389	BRAHAN	£140,808	£191,250	£255,000
£239,515	GOODLYBURN	£305,946	£266,250	£355,000
£50,196	SHOP	£216,872	£172,500	£230,000
£409,100	TOTAL INCOME	£663,626	£630,000	£840,000
	EXPENDITURE			
£236,026	BRAHAN	£239,628	£205,313	£273,750
£127,208	GOODLYBURN	£299,423	£284,438	£379,250
£102,774	SHOP	£200,342	£183,000	£244,000
£466,008	TOTAL EXPENDITURE	£739,393	£672,750	£897,000
-£56,908	OPERATING SURPLUS / (DEFICIT)	-£75,767	-£42,750	-£57,000
Done				

PERTH COLLEGE											
OTHER INCOME GENERATING ACTIVITIES											
SUMMARY BY FACULTY/UNIT											
9											
YEAR TO 31st July 2019											
To 30th April 2019											
FACULTY	INCOME BUDGET YEAR TO 31-07-2019	EXPENDITURE BUDGET YEAR TO 31-07-2019	CONTRIBUTION BUDGET YEAR TO 31-07-2019	INCOME BUDGET 9 MONTHS 30-04-2019	EXPENDITURE BUDGET 9 MONTHS 30-04-2019	CONTRIBUTION BUDGET 9 MONTHS 30-04-2019	INCOME ACTUAL 9 MONTHS 30-04-2019	EXPENDITURE ACTUAL 9 MONTHS 30-04-2019	CONTRIBUTION ACTUAL 9 MONTHS 30-04-2019	CONTRIBUTION ACTUAL 9 MONTHS 30-04-2018	
BMCL	137,805	64,090	73,715	103,354	48,068	55,286	58,927	40,938	17,989	12,766	
STEM	480,500	77,000	403,500	360,375	57,750	302,625	451,384	96,890	354,494	292,445	
CI	97,800	14,000	83,800	73,350	10,500	62,850	65,713	13,532	52,181	48,717	
HESS	108,000	19,500	88,500	81,000	14,625	66,375	103,750	10,254	93,496	94,157	
NURSERY	300,000	378,085	(78,085)	225,000	283,564	(58,564)	240,256	281,006	(40,750)	(56,093)	
INTERNATIONAL RECRUITMENT - FEES FIC 01	4,000	315,557	(311,557)	3,000	236,668	(233,668)	1,070	188,178	(187,108)	(173,641)	
INTERNATIONAL RECRUITMENT - ACCOM. FIC01.L01/5	120,000	120,000	0	90,000	90,000	0	62,305	65,954	(3,649)	0	
Sub Total	1,248,105 0	988,232 0	259,873	936,079	741,174	194,905	983,405 0	696,752	286,653 0	218,351	
LANGUAGE SCHOOL - Commercial Income	113,500	33,325	80,175	85,125	24,994	60,131	94,828	34,930	59,898	49,532	
Grand Total	1,361,605	1,021,557	340,048	1,021,204	766,168	255,036	1,078,233	731,682	346,551	267,883	
<p>Note 1 - In the current year all teaching delivery costs have been charged through the funded cost centre (ALS01). No transfer of teaching costs has been made from the funded cost centre (ALS01) to the commercial cost centre (FLS01).</p> <p>In addition to Note 1 above there may be other expenditure incurred in relation to commercial activity that is not charged through the commercial cost centres due to the difficulty in accurately splitting these costs out.</p>											0
Comparatives to 30th April 2018							1,026,815	758,932	267,883		

PERTH COLLEGE										
INCOME & EXPENDITURE SUMMARY SHEET										
RESEARCH CENTRES										
To 30th April 2019										
	INCOME BUDGET YEAR TO 31-07-2019	EXPENDITURE BUDGET YEAR TO 31-07-2019	CONTRIBUTION BUDGET YEAR TO 31-07-2019	INCOME BUDGET 9 MONTHS 30-04-2019	EXPENDITURE BUDGET 9 MONTHS 30-04-2019	CONTRIBUTION BUDGET 9 MONTHS 30-04-2019	INCOME ACTUAL 9 MONTHS 30-04-2019	EXPENDITURE ACTUAL 9 MONTHS 30-04-2019	CONTRIBUTION ACTUAL 9 MONTHS 30-04-2019	CONTRIBUTION ACTUAL 9 MONTHS 29-04-2018
CENTRE FOR MOUNTAIN STUDIES	388,327	272,338	115,989	291,245	204,254	86,992	125,305	205,386	(80,081)	(22,156)
CENTRE FOR CULTURE, HERITAGE & TOURISM	0	0	0	0	0	0	0	0	0	0
CENTRE FOR RURAL CHILD	0	0	0	0	0	0	0	0	0	0
CENTRE FOR ALZHEIMERS RESEARCH	0	0	0	0	0	0	0	0	0	67
TOTAL RESEARCH	388,327	272,338	115,989	291,245	204,254	86,992	125,305	205,386	(80,081)	(22,089)
SURPLUS / (DEFICIT) AT 30th April 2018							213,081	235,170	(22,089)	

PERTH COLLEGE				
BREAKDOWN OF 'OTHER INCOME'				
9 MONTHS to 30th April 2019				
9 MONTHS to 30-04-2018 ACTUAL		9 MONTHS to 30-04-2019 ACTUAL	9 MONTHS to 30-04-2019 BUDGET	12 MONTHS TO 31-07-2018 BUDGET
1,115	HIRE OF ACCOMMODATION	£1,115	£1,050	£1,400
829	LIBRARY	£24,037	£1,313	£1,750
45,517	SCHOOLS DIRECT	£45,636	£45,518	£60,690
8,364	LEARNING TECHNOLOGY CENTRE	£3,251	£2,250	£3,000
28,245	CENTRAL ADMIN/FINANCE/MIS	£11,332	£1,500	£2,000
611	ACADEMIC CENTRAL ADMIN	£23,183	£750	£1,000
3,185	EXAM FEES	£2,688	£2,250	£3,000
54,648	SECONDMENT SALARY RECHARGES	£35,824	£16,968	£22,624
21,000	RECHARGES TO UHI	£22,500	£22,500	£30,000
13,430	COMMUNITY DEVELOPMENT/SVS PROJECTS	£38,390	£0	£0
0	NEW OPPORTUNITIES	£3,889	£3,750	£5,000
25,093	ADULT LITERACY PROJECT - 470	£24,938	£27,750	£37,000
3,007	SUNDRY INCOME & PROJECTS / STUDENTS UNION	£365	£0	£0
26,461	SALES OF BEAUTY THERAPY KITS	£21,237	£19,200	£25,600
49,566	CURRICULUM DEVELOPMENT FUND L & T PROJECTS -	£9,480	£0	£0
0	H.I.T.SCOTLAND BURSARY AWARDS	£0	£450	£600
23,268	PROPERTY	£64,890	£27,900	£37,200
1,585	APUC Fees from Partners	£-246	£0	£0
18,446	PROPERTY CAR PARKING	£12,846	£36,000	£48,000
11,614	PRIZEGIVING / GRADUATION	£13,648	£9,000	£12,000
1,899	INTEREST RECEIVED	£7,984	£1,500	£2,000
4,333	ABD07 / WEE Centre Project	£3,878	£25,807	£34,409
18	H.R.& STAFF DEVELOPMENT	£76	£0	£0
2,000	STUDENT SERVICES	£342	£0	£0
33,113	STUDENT SUPPORT - ELS	£48,246	£22,500	£30,000
-5,179	LEARNING CENTRES	£-5,303	£825	£1,100
40,971	CURRICULUM OTHER INCOME	£97,591	£0	
32,795	Essential Student Equipment - Bursary Funded	£46,075	£21,225	£28,300
0	FUTURE SKILLS FOR CREATIVE INDUSTRIES	£0	£0	
75,000	MANAGEMENT CHARGE TO AST	£90,558	£75,000	£100,000
915	NQ Sports	£0	£0	
17,396	TCI - Other Income	£30,537	£0	£0
1,567	Conference & Hospitality Services	£8,827	£0	£0
5,509	Materials Development	£5,333	£4,875	£6,500
0	DONATION FROM AST	£0	£0	£0
4,038	Sale/Purchase of Books	£11,980	£11,250	£15,000
0	Development Trust	£428	£0	£0
0	IMF Heritage Research Project	£1,079	£0	£0
0	Student on line Counselling	£280	£0	£0
3,824	CREATIVE IND BURSARY FUND	£4,622	£3,750	£5,000
554,183		£711,535	£384,880	£513,173

PERTH COLLEGE				9	
9 MONTHS ACTUAL to 30-04-2018	ANALYSIS OF PROPERTY COSTS		9 MONTHS ACTUAL to 30-04-2019	9 MONTHS BUDGET to 30-04-2019	12 MONTHS BUDGET 31-07-2018
£116,260	PLANNED BUILDING PROJECTS		£134,664	£590,516	£787,354
£0	FURNITURE REPLACEMENT		£0	£0	£0
£85,683	PLANNED MAINTENANCE		£75,383	£21,000	£28,000
£2,412	ADDITIONAL PLANNED MAINTENANCE		£0	£0	£0
£120,259	UNPLANNED MAINTENANCE	EPC15	£77,385	£52,500	£70,000
£0	UNPLANNED MAINTENANCE -Acad Equip		£0	£3,750	£5,000
£5,497	CAR PARK REPAIRS AND MAINTENANCE		£2,346	£21,000	£28,000
8,609	CATERING COSTS		£9,188	£5,250	£7,000
£15,201	GROUND UPKEEP		£17,023	£18,750	£25,000
£179,573	ELECTRICITY		£179,223	£191,850	£255,800
£56,628	GAS	EPC17	£64,610	£49,875	£66,500
£66,889	RATES	EPC17	£55,009	£67,500	£90,000
£0	RATES - REBATE		£0	£0	£0
£19,089	WATER METERED RATES	EPC17	£20,421	£28,500	£38,000
£14,319	CLEANING EQUIPMENT	EPC16	£7,796	£13,500	£18,000
£16,220	JANITORIAL SUPPLIES	EPC16	£16,374	£19,500	£26,000
£7,661	PROPERTY SECURITY	EPC15	£4,914	£9,750	£13,000
£48,459	HIRE OF SKIPS	EPC15	£49,855	£45,000	£60,000
£433	Hire of Portacabins	EPC01	£0	£0	£0
£5,142	SUPPLIES & SERVICES ETC.	EPC01	£2,530	£3,750	£5,000
£23,689	TRANSPORT HIRE/TRAVEL	EPC16	£18,010	£26,250	£35,000
£7,753	Vehicle Maintenance		£3,381	£6,000	£8,000
£250	Insurance Claims		£0	£750	£1,000
£12,949	CAR PARK MANAGEMENT		£10,501	£13,500	£18,000
812,975	PER BOARD ACCOUNTS - NON STAFFING COSTS		£748,613	£1,188,491	£1,584,654
£110,156	ADMIN SALARIES		£106,893	£103,701	£138,268
£65,239	TECHNICIAN SALARIES		£67,523	£66,187	£88,249
£201,452	CARETAKERS SALARIES		£221,140	£190,212	£253,616
£212,514	CLEANERS SALARIES		£236,545	£263,049	£350,732
589,361	PER BOARD ACCOUNTS - STAFFING COSTS		£632,101	£623,149	£830,865

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PERTH COLLEGE			9		
9 MONTHS ACTUAL to 30-04-2018	ANALYSIS OF International Activity	9 MONTHS ACTUAL to 30-04-2019	9 MONTHS BUDGET to 30-04-2019	12 MONTHS BUDGET 31-07-2018	ACTUAL V BUDGET VARIANCE
	China				
	Income				
£304,207	Fees - Partners (China)	£323,081	£319,125	£425,500	3,956
	Total Income	£323,081	£319,125	£425,500	3,956
	Expenditure				
	Staff				
£20,111	Teaching - (China)	£16,810	£0	£0	16,810
£15,000	Management	£0	£0	£0	0
£35,111	Total Staff	£16,810	£0	£0	16,810
	Non Staff				
£14,549	Supplies & Services - China	£13,892	£16,695	£22,260	(2,803)
£53,910	Travel - China	£35,093	£10,500	£14,000	24,593
£0	Agents Commission	£2,327	£0	£0	2,327
£0	Membership fees & Subscriptions	£0	£0	£0	0
£68,459	Total Non Staff	£51,312	£27,195	£36,260	24,117
£200,637	OPERATING SURPLUS / (DEFICIT)	£254,959	£291,930	£389,240	(36,971)
	Other International				
	Income				
£99,622	Fees - Students	157,562	£128,325	171,100	29,237
£10,561	Fees - Summer School	13,126	£12,750	£17,000	376
£64,625	Fees - Language School	81,702	£72,375	£96,500	9,327
£71,590	Residences - Host Family	62,305	£90,000	£120,000	(27,695)
£8,234	Other Income	1,070	£3,000	£4,000	(1,930)
£254,632	Total Income	£315,765	£306,450	£408,600	9,315
	Expenditure				
	Staff				
£0	Teaching - (Others)		£0	£0	0
£4,916	Summer School	£1,877	£6,000	£8,000	(4,123)
£120,031	Admin Salaries - International Centre	£131,112	£178,918	£238,557	(47,806)
£7,142	Language School	£12,502	£6,000	£8,000	6,502
£132,089	Total Staff	£145,491	£190,918	£254,557	(45,427)
	Non Staff				
£71,590	Residences Costs - Host Family	£65,954	£90,000	£120,000	(24,046)
£9,136	Supplies & Services	£7,313	£7,875	£10,500	(562)
£5,672	Supplies & Services - Summer School	£3,937	£3,000	£4,000	937
£2,326	Supplies & Services - Language School	£55	£3,319	£4,425	(3,264)
£25,476	Travel	£50,796	£30,000	£40,000	20,796
£11,250	Bad Debt	£3,750	£3,750	£5,000	0
£346	Advertising - India		£2,250	£3,000	(2,250)
£650	Advertising - Other Overseas	£330	£2,250	£3,000	(1,920)
£15,638	Membership fees & Subscriptions	£9,331	£7,500	£10,000	1,831
£20,625	Agents Commission	£5,263	£10,425	£13,900	(5,162)
£162,709	Total Non Staff	£146,729	£160,369	£213,825	(13,640)
£40,166	OPERATING SURPLUS / (DEFICIT)	£23,545	£44,837	£59,782	68,382

PERTH COLLEGE			9	
9 MONTHS ACTUAL to 30-04-2018	ANALYSIS OF ASW	9 MONTHS ACTUAL to 30-04-2019	9 MONTHS BUDGET to 30-04-2019	12 MONTHS BUDGET 31-07-2018
	<u>ASW</u>			
	<u>Income</u>			
£52,546	Sports Hall Income	£58,509	£52,500	£70,000
£4,133	Gym Income	£9,907	£11,250	£15,000
	Gym Income Other	£659		
£105	Hire of Rooms	£811	£0	£0
£3,477	Other Income	£6,397	£37,440	£49,920
£4,453	Events Income	£0	£0	£0
£0	Other Income Fitness services	£1,410	£0	£0
£0	Other Income Fitness Attendance	£58		
£45,310	Membership - Students	£48,451	£39,000	£52,000
£19,650	Membership - Commercial	£78,145	£39,000	£52,000
£13,349	Membership - Staff	£12,100	£12,000	£16,000
£143,022	Total Income	£216,447	£191,190	£254,920
	<u>Pay Expenditure</u>			
£156,231	Admin Salaries	£210,479	£170,273	£227,031
£156,231		£210,479	£170,273	£227,031
	<u>Non Pay Expenditure</u>			
£8,048	Planned Maintenance	£13,635	£0	£0
£14,132	Unplanned Maintenance	£13,914	£9,750	£13,000
£34,111	Electricity	£48,249	£37,500	£50,000
£6,727	Gas	£7,277	£7,500	£10,000
£10,500	Rates	£0	£0	£0
£3,750	Water Meter	£0	£0	£0
£3,455	Cleaning Equipment	£2,011	£0	£0
£0	Janitorial Supplies	£0	£0	£0
£5,300	Hire of Skips	£3,928	£0	£0
£13,474	Supplies & Services	£10,825	£11,250	£15,000
£1,484	Supplies & Services Events	£186	£11,250	£15,000
£66,197	Equipment Rental	£70,113	£67,500	£90,000
£0	Copyright Charges	£4,507		
£7,897	Computer Maintenance Agreements	£7,024	£7,500	£10,000
£319	Travel	£480	£0	£0
£766	Marketing	£1,048	£0	£0
£176,160	Total Expenditure	£183,197	£152,250	£203,000
-£189,369	OPERATING SURPLUS / (DEFICIT)	-£177,229	-£131,333	-£175,111
	<u>Climbing Centre</u>			
	<u>Income</u>			
£74,049	Climbing Centre Income	£99,739	£111,750	£149,000
£4,738	Hire of Equipment	£7,011	£0	£0
£7,608	Other Income	£0	£11,250	£15,000
£60	Other Income NICAS	£22,837	£0	£0
£1,302	Membership Fees - Students	£839	£2,625	£3,500
£4,434	Membership Fees - Commercial	£2,954	£2,250	£3,000
£32	Membership Fees - Staff	£0	£2,250	£3,000
£92,222	Total Income	£133,381	£130,125	£173,500
	<u>Pay Expenditure</u>			
£94,868	Salaries	£120,374	£115,515	£154,020
£94,868		£120,374	£115,515	£154,020
	<u>Non Pay Expenditure</u>			
£6,755	Equipment/Materials	£4,982	£5,250	£7,000
£1,035	Equipment/Materials NICAS	£1,055	£0	£0
£0	Equipment Rental	£0	£0	£0
£420	Marketing	£140	£3,750	£5,000
£8,210	Total Expenditure	£6,177	£9,000	£12,000
(10,856)	OPERATING SURPLUS / (DEFICIT)	£6,830	£5,610	£7,480

Perth College UHI

Committee	Finance & General Purposes Committee
Subject	Air Service Training Management Accounts P9 2018/19
Date of Committee meeting	22/05/2019
Author	Andrea Saunders
Date paper prepared	17/05/2019
Executive summary of the paper	Air Service Training Management Accounts Q3 to 30 th April 2019
Consultation How has consultation with partners been carried out?	N/A
Action requested	<input type="checkbox"/> For information only <input checked="" type="checkbox"/> For discussion <input type="checkbox"/> For recommendation <input type="checkbox"/> For approval
Resource implications (If yes, please provide details)	No
Risk implications (If yes, please provide details)	No
Link with strategy Please highlight how the paper links to the Strategic Plan, or assist with:	N/A

Perth College UHI

<ul style="list-style-type: none"> • Compliance • National Student Survey • partnership services • risk management • other activity [e.g. new opportunity] – please provide further information 	
<p><u>Equality and diversity</u></p> <p>Yes/ No</p> <p>If yes, please give details:</p>	<p>No</p>
<p>Island communities</p> <p>Does this activity/ proposal have an effect on an island community which is significantly different from its effect on other communities (including other island communities)?</p>	<p>No</p> <p>If yes, please give details:</p> <p>Click or tap here to enter text.</p>
<p><u>Data Protection</u></p> <p>Does this activity/ proposal require a Data Protection Impact Assessment?</p>	<p>No</p> <p>Click or tap here to enter text.</p>
<p>Status (e.g. confidential/non confidential)</p>	<p>Non Confidential</p>
<p>Freedom of information</p> <p>Can this paper be included in “open” business?*</p>	<p>No</p>

* If a paper should **not** be included within ‘open’ business, please highlight below the reason.

Perth College UHI

Its disclosure would substantially prejudice a programme of research	<input type="checkbox"/>	Its disclosure would substantially prejudice the effective conduct of public affairs	<input type="checkbox"/>
Its disclosure would substantially prejudice the commercial interests of any person or organisation	<input checked="" type="checkbox"/>	Its disclosure would constitute a breach of confidence actionable in court	<input type="checkbox"/>
Its disclosure would constitute a breach of the Data Protection Act	<input type="checkbox"/>	Other [please give further details] Click or tap here to enter text.	<input type="checkbox"/>

For how long must the paper be withheld? [Click or tap here to enter text.](#)

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<http://www.itspublicknowledge.info/ScottishPublicAuthorities/ScottishPublicAuthorities.asp>

and

http://www.itspublicknowledge.info/web/FILES/Public_Interest_Test.pdf

AST Engineering Limited

Management Accounts Commentary

For the 9 Months to 30th April 2019

SUMMARY

AST have generated profit of £123k to P9, being only slightly lower than budget by £5k. Income generated to P9 totals £1464k against a budgeted position of £1,425k resulting in a positive variance against budget of £38k. Direct Costs are slightly overspent to budget totalling £594k to P9 compared to budgeted costs of £587k while indirect costs exceed budget by £36k.

INCOME

Approved course income is £374k to P9 against a budget of £400k resulting in an adverse variance of £26k. Later than anticipated enrolments in to the new Leonardo class has impacted income to P9 but will begin in May 2019.

Modular courses are £4k behind budget with total income of £319k to the period. Budgeted income of £29k from Air Mauritius has not materialised while HIOS and Pitot courses are under budget by £17k and £14k respectively. These adverse variances are partially offset by NAAT modular income exceeding budget by £27k and Perth based courses exceeding budget by £28k.

Second Sites income totals £641k to the end of April and exceeds budget by £26k with this being almost entirely attributable to CAT.

Bespoke training for RAFO is £50k above Budget.

EXPENDITURE

Direct Costs

Direct costs are £7k above budget to P9 with overspends in lecturing travel costs of £15k being slightly offset by lower than budgeted salary costs.

Salary costs have almost caught up against budget with the pay award of 2.5% agreed and paid in February. In addition, 2 lecturing appointments were made in late January (only 1 of which was budgeted) and so lecturing salary costs will exceed budget by circa £15k by financial year end.

Indirect Costs

Indirect costs to P9 exceed budget by £36k with the largest contributor being unbudgeted consultancy fees for the IGM. In addition, the Gift Aid payment to the college was increased by £15k to avoid Corporation Tax costs and this increase impacts the P&L for the current financial year.

As noted above, the indirect salary pay award was agreed at 2.5% and paid in February, whilst budgeted at 2%. The overspend of £9k in salaries is the result of an increase in hours required to fulfil an administrative post with the change being made in December 2018.

AST Engineering Limited

PREP: Andrea Saunders

Profit and Loss Account	Actual	Budget	Positive/ (Adverse)	YTD	YTD	Positive/ (Adverse)	Comments
Apr-19	Apr-19	Apr-19	Variance	Actual Apr-19	Budget Apr-19	Variance	
Income							
Tuition Fees - Engineering	153,297	163,354	(10,057)	1,410,575	1,364,701	45,874	
Consultancy	-	15,000		-	15,000	(15,000)	
Other Income	18	83	(65)	222	747	(525)	
Interest Charge on Overdue Debts	-	-	-	-	-	-	
Income for Students Food, Accommodation & All	-	-	-	-	-	-	
Travel & Sundry Recharges	7,688	5,000	2,688	53,074	45,000	8,074	
	161,003	183,437	(7,433)	1,463,871	1,425,448	38,423	
			(22,434)				
Direct costs - Lecturing							
Salaries - Lecturing	54,798	49,851	(4,948)	445,786	448,657	2,872	
Staff Overseas Allowance & Subsistence	140	2,000	1,860	11,174	14,000	2,826	
Training Equipment & consumables	1,777	1,250	(527)	5,765	11,250	5,485	
Approving/Examining Body & audit of sites	(1,665)	1,600	3,265	18,635	14,400	(4,235)	
Staff Training inc IIP revalidation	(130)	1,000	1,130	2,915	7,000	4,086	
Travel - Lecturing	10,203	6,200	(4,003)	58,286	43,400	(14,886)	
Agents Commission (now in 'Indirect Costs')							
RSAF LIM Project	-	-	-	-	-	-	
Miscellaneous	1,257	208	(1,049)	4,370	1,872	(2,498)	
External Training for Students AMET	9,618	4,758	(4,860)	45,596	41,944	(3,652)	
Uniforms/workwear	-	-	-	1,961	4,500	2,539	
Staff Relocation Costs	-	-	-	-	-	-	
Travel re: Indonesia	-	-	-	-	-	-	
Student Allowances	-	-	-	-	-	-	
	75,997	66,867	(9,132)	594,487	587,023	(7,464)	
			(9,131)				
LECTURING PROFIT/(LOSS)	85,006	116,570	(16,565)	869,384	838,425	30,959	
Margin %	52.8%	63.5%	-10.8%	59.4%	58.8%	0.6%	
			(31,565)				
Indirect Costs							
Salaries - Admin	33,286	38,466	5,181	337,799	346,197	8,398	
Staff Pension Scheme administration Costs	467	650	183	5,361	5,850	489	
Rent	8,646	8,709	63	79,067	78,373	(694)	
Rates including Water	4,035	4,031	(4)	35,911	36,279	368	
Insurance	1,162	827	(335)	7,925	7,448	(477)	
Heat Light & Power	1,267	1,634	367	15,950	14,713	(1,237)	
Property, Hangar & Classroom Maintenance	1,717	2,500	783	21,157	22,500	1,343	
Telephone	817	1,000	183	9,672	9,000	(672)	
Airport Transfers	1,063	1,250	187	10,243	11,250	1,007	
Legal & Audit Fees	688	1,250	563	14,898	11,250	(3,648)	
Agency/Consultant Fees	7,067	-	(7,067)	43,510	-	(43,510)	
Bad Debt Charge	-	1,000	1,000	7,000	9,000	2,000	
Depreciation	1,154	2,500	1,346	18,466	22,500	4,034	
Print, Post Stationery	730	290	(440)	3,391	2,610	(781)	
Computer and website maintenance	499	584	85	4,664	5,256	592	
Bank Interest & Charges	416	359	(57)	3,628	3,223	(405)	
Subscriptions	433	334	(99)	2,148	2,998	850	
Marketing & Advertising	1,328	1,667	339	17,208	15,003	(2,205)	
Travel re marketing	1,390	3,334	1,944	16,626	29,998	13,372	
Management Charge from Perth College	8,333	8,584	251	75,000	77,251	2,251	No Uplift
Agents commission	-	-	-	2,010	-	(2,010)	
Gift Aid	14,804	-	-	14,804	-	(14,804)	
	89,302	78,969	4,471	746,437	710,699	(35,738)	
			(10,333)				
PROFIT/(LOSS)	(4,297)	37,601	(12,093)	122,947	127,726	(4,779)	

AST Engineering Ltd

PREP: Andrea Saunders

Balance Sheet Apr-19	FY 2018/19 Apr-19	Stat A/Cs FY 2017/18 Jul-18
Fixed Assets		
F&F	102,843	117,486
Computers	0	0
Equipment	37,240	41,064
	140,083	158,550
Current Assets		
Stock (Fuel Oil and Sheet Metal)	3,951	3,994
Trade Debtors	576,464	398,953
Other Debtors and Prepayments (Taxation)	58,025	58,197
Total Debtors	634,489	457,151
Cash at bank and in hand	80,733	177,355
		666,105
	1,207,923	1,127,250
Current Liabilities		
Trade Creditors < 1 year	148,591	51,289
Fees invoiced in advance	402,033	462,398
Accruals	162,828	-
Accruals & Deferred Income	1,053,611	951,148
Amount due to Parent Undertaking (Gift Aid of Surplus)		233,732
Taxation and Social Security		26,775
	1,202,202	1,262,944
Net Current Assets (Liabilities)	5,722	-135,694

Total Assets less Current Liabilities**Represented by: -**

	145,805	22,855
Share Capital	20,000	20,000
Profit and Loss Account (<i>Retained Reserves b/f</i>)	2,858	2,855
Profit (loss) for the period - before Tax and Gift Aid	122,947	207,486
Corporation Tax 'Credit' / (Charge)		1,246
Profit (loss) for the period - after Corporate Tax	122,947	208,732
Gift Aid of Surplus to Perth College		-208,732
Profit (loss) for the period after Tax & Gift Aid of Surplus	122,947	-
Total Retained Profits at year end	125,805	2,855
	145,805	22,855

INCOME SUMMARY to JULY 2019

		ACTUAL/INVOICED (Deferred) INCOME @ Apr '19 2019												ACTUAL/INVOICED (Deferred) INCOME @ Apr 2019					
APPROVED COURSES	Class	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	TOTAL	Q1	Q2	Q3	Q4	TOTAL
2017/18	259	9,641	2,597	-	-	90	-	-	-	-	-	-	-	12,328	12,238	90	-	-	12,328
	260	8,310	7,680	9,505	7,531	9,412	7,530	11,355	5,510	-	-	-	-	66,832	25,495	24,473	16,864	-	66,832
	261	10,905	9,940	12,141	9,719	9,719	9,719	8,939	9,750	11,904	9,750	9,750	11,901	124,138	32,986	29,157	30,593	31,402	124,138
	262	6,187	7,139	10,606	6,867	8,584	6,476	6,476	14,833	13,329	9,264	9,264	11,491	110,516	23,932	21,926	34,638	30,020	110,516
		35,043	27,356	32,251	24,117	27,805	23,724	26,770	30,093	25,233	19,014	19,014	23,392	313,814	94,650	75,647	82,096	61,421	313,814
2018/19	263	-	13,858	17,320	13,858	17,320	13,858	6,673	22,941	16,027	13,349	13,279	12,252	160,735	31,178	45,036	45,641	38,880	160,735
Leonardo / QEAF	264	-	-	-	-	-	-	-	-	-	10,986	6,970	8,221	26,176	-	-	-	26,176	26,176
	QEAF	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		-	13,858	17,320	13,858	17,320	13,858	6,673	22,941	16,027	24,335	20,249	20,473	186,911	31,178	45,036	45,641	65,056	186,911
		35,043	41,214	49,571	37,975	45,125	37,582	33,443	53,034	41,260	43,349	39,263	43,865	500,725	125,828	120,683	127,737	126,478	500,725
MODULE & EXAMS																			
Modular, Notes & Exams	Modular	16,704	14,357	17,206	10,298	1,633	18,447	18,735	30,621	40,408	24,356	7,920	3,065	203,749	48,267	30,378	89,763	35,341	203,749
Prestwick Air Maintenance	Modular FP001	3,200	-	-	-	-	-	-	3,200	-	-	-	-	6,400	3,200	-	3,200	-	6,400
HIOS (India/Qatar)	FP016/FQ003	-	8,840	-	-	4,245	-	-	6,420	-	-	-	-	19,505	8,840	4,245	6,420	-	19,505
CoA	CoA Notes	2,741	2,715	1,736	-	-	3,692	569	569	569	569	569	263	13,990	7,191	3,692	1,706	1,400	13,990
Pitot Aviation	Modular FP042	-	11,760	-	-	440	-	1,920	480	480	-	-	-	14,200	11,760	440	2,880	-	14,200
NAAT (Nepal)	Modular FN035	-	60	-	25,081	31,532	25,082	240	-	-	-	-	-	81,995	60	81,695	240	-	81,995
Air Marituis	Air Mauritius	-	-	-	-	-	-	-	4,224	5,280	4,224	4,224	8,448	26,400	-	-	9,504	16,896	26,400
East Wings Aviation	Modular FE036	-	-	-	6,050	-	-	-	-	-	-	-	-	6,050	-	6,050	-	-	6,050
		22,645	37,731	18,942	41,429	36,970	47,221	21,464	45,513	46,736	29,149	12,713	11,776	372,289	79,318	125,620	113,714	53,637	372,289
SECOND SITES																			
Joramco	JorAMco Man Fee	7,129	11,208	8,440	7,593	8,552	7,950	7,950	18,864	8,375	8,870	4,173	-	99,103	26,777	24,095	35,188	13,043	99,103
STPI Indonesian College	STPI	6,894	6,894	6,894	6,894	6,898	-	-	-	-	-	-	-	34,474	20,682	13,792	-	-	34,474
CAT - Kuwait	CAT Man Fee	24,522	47,639	52,520	47,639	47,639	47,639	88,439	50,394	51,166	50,109	48,057	48,057	603,817	124,681	142,917	189,998	146,222	603,817
Keiler - Iceland	KEILIR Man Fee	5,572	4,850	4,808	5,060	5,367	4,810	21,662	4,809	5,760	4,810	4,810	4,810	77,129	15,230	15,237	32,231	14,431	77,129
		44,117	70,591	72,662	67,186	68,456	60,399	118,050	74,067	65,301	63,788	57,040	52,867	814,524	187,370	196,041	257,417	173,695	814,524
BESPOKE COURSES																			
RAF Oman Officer Training	Bespoke RAFO	15,369	15,369	19,211	15,369	11,529	-	-	-	-	-	-	-	76,847	49,949	26,898	-	-	76,847
		15,369	15,369	19,211	15,369	11,529	-	-	-	-	-	-	-	76,847	49,949	26,898	-	-	76,847
CONSULTANCY																			
PA (Pitot)/EAA		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total		117,174	164,905	160,386	161,959	162,080	145,203	172,957	172,614	153,297	136,286	109,016	108,507	1,764,384	442,465	469,242	498,868	353,809	1,764,384

AST ENGINEERING LTD

TUITION INCOME 7 Months to FEB YTD	Actual YTD	Budget YTD	Variance
APPROVED COURSES			
Prior Years Start	252,393	232,801	19,591
Current Year's Start	121,855	167,250	(45,395)
Total - Approved Courses	374,248	400,051	(25,803)
MODULAR (INCL.EXAMS)			
Modular Courses - Perth	168,408	140,000	28,408
Prestwick Air Maintenance	6,400	3,200	3,200
HIOS (India/Qatar)	19,505	37,000	(17,495)
CoA	12,590	12,591	(1)
Pitot Aviation	14,200	28,000	(13,800)
NAAT (Nepal)	81,995	54,600	27,395
Air Mauritius	9,504	36,000	(26,496)
East Wings Aviation	6,050	11,400	(5,350)
Total - Modular	318,652	322,791	(4,139)
SECOND SITES			
JORAMCO	86,061	84,439	1,622
STPI Indonesian College	34,474	34,474	-
CAT - Kuwait	457,596	434,777	22,819
Keiler-Iceland	62,698	61,272	1,426
Total - Second Site	640,829	614,962	25,867
BESPOKE COURSES			
RAF Oman Officer Training	76,847	26,897	49,950
Total - Bespoke Courses	76,847	26,897	49,950
CONSULTANCY			
Pitot Aviation/EAA	-	15,000	(15,000)
Total - Consultancy	-	15,000	(15,000)
TOTAL	1,410,575	1,379,701	30,874

Committee	Finance & General Purposes Committee
Subject	Perth College Indicative Budget 2019/20
Date of Committee meeting	22/05/2019
Author	Andrea Saunders
Date paper prepared	17/05/2019
Executive summary of the paper	Perth College Indicative Budget 2019/20
Consultation How has consultation with partners been carried out?	N/A
Action requested	<input type="checkbox"/> For information only <input checked="" type="checkbox"/> For discussion <input type="checkbox"/> For recommendation <input type="checkbox"/> For approval
Resource implications (If yes, please provide details)	No
Risk implications (If yes, please provide details)	No
Link with strategy Please highlight how the paper links to the Strategic Plan, or assist with:	N/A

<ul style="list-style-type: none"> • Compliance • National Student Survey • partnership services • risk management • other activity [e.g. new opportunity] – please provide further information 	
<p><u>Equality and diversity</u></p> <p>Yes/ No</p> <p>If yes, please give details:</p>	No
<p>Island communities</p> <p>Does this activity/ proposal have an effect on an island community which is significantly different from its effect on other communities (including other island communities)?</p>	<p>No</p> <p>If yes, please give details:</p> <p>Click or tap here to enter text.</p>
<p><u>Data Protection</u></p> <p>Does this activity/ proposal require a Data Protection Impact Assessment?</p>	<p>No</p> <p>Click or tap here to enter text.</p>
<p>Status (e.g. confidential/non confidential)</p>	Non Confidential
<p>Freedom of information</p> <p>Can this paper be included in “open” business?*</p>	Yes

* If a paper should **not** be included within ‘open’ business, please highlight below the reason.

Its disclosure would substantially prejudice a programme of research	<input type="checkbox"/>	Its disclosure would substantially prejudice the effective conduct of public affairs	<input type="checkbox"/>
Its disclosure would substantially prejudice the commercial interests of any person or organisation	<input type="checkbox"/>	Its disclosure would constitute a breach of confidence actionable in court	<input type="checkbox"/>
Its disclosure would constitute a breach of the Data Protection Act	<input type="checkbox"/>	Other [please give further details] Click or tap here to enter text.	<input type="checkbox"/>

For how long must the paper be withheld? [Click or tap here to enter text.](#)

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<http://www.itspublicknowledge.info/ScottishPublicAuthorities/ScottishPublicAuthorities.asp>

and

http://www.itspublicknowledge.info/web/FILES/Public_Interest_Test.pdf

Perth College UHI

Indicative Budget

FY 2019/20

ONS prescribes that colleges breakeven and maintain a flat level of cash for each financial year to 31 March. Subsequent recognition was given to the complication around the treatment of depreciation value cash equivalents resulted in colleges now being permitted to report technical deficits up to amounts agreed by SFC. This is capped at the net depreciation levels of 2015/16 and equates to £529k for Perth, with prescriptive spend agreed by the Scottish Funding Council.

The College continues to prepare budgets and accounts for its own financial year to 31st July and is aligned to the academic year. Normally at this point in the academic year, the committee is asked to consider the indicative budget for the following year plus summary forecasts for subsequent years however, at the time of writing, the FE funding allocation has not yet been received from our Regional Strategic Body. In order to ensure robust budgeting, clarity is required on both the value of the funding as well as the number of credits we will be required to deliver.

Finance is currently working on the compilation of the various detailed figures that will be amalgamated to create the 2019/20 budget. These figures will be refined as details crystallise to ensure that the overall budgets set achieve the agreed strategic outturn for the College. The culmination of this process will be the detailed indicative budget which will be considered by the Finance and General Purposes Committee at its first meeting of the new academic year.

The Senior Management Team is committed to the financial sustainability of the college and will work within the available resources to ensure this is delivered. The budget presented to the Committee for approval will outline the assumptions made and options available to ensure this.

The Committee is asked to approve that the College Group, including AST, works towards the agreed technical deficit position for the 2019-20 Indicative Budget Outturn.

Perth College UHI

Indicative Budget

FY 2019/20

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The Committee is asked to approve that the College Group, including AST, works towards the agreed technical deficit position for the 2019-20 Indicative Budget Outturn.

Committee	Finance & General Purposes Committee
Subject	A review of the College's Balanced Scorecard
Date of Committee meeting	22 May 2019
Author	Kirsty Campbell, Transitions Project Coordinator
Date paper prepared	24/04/2019
Executive summary of the paper	<p>This proposal outlines how Perth College's Balanced Scorecard could be more effective in highlighting performance and progress against its strategic objectives. The Balanced Scorecard currently measures the KPIs set out by the four cross-cutting sectors in the College's strategic plan Vision 2021: Strategic Plan 2016-21.</p> <p>The proposal will review and offer recommendations on:</p> <ul style="list-style-type: none"> • whether the current KPIs being tracked provide a true reflection of the college's strategic position year on year to allow for meaningful forward strategic planning • consider whether the current design is fit for purpose in layout, content and in providing sufficient strategic context to be a meaningful reporting tool <p>Work in building the proposal focused on feedback and research with the Heads/Leads of each area within the college as well as research into best practice within the sector to identify the right measures to capture strategic performance and inform strategic planning.</p> <p>The aim of the proposal is to identify two draft proposals for the content and design of the Balanced Scorecard and present these to SMT and the Board for their consideration and feedback. The development of a proposed new Balanced</p>

Perth College UHI

	Scorecard would be expected to benefit the Corporate Management Team, Senior Management Team and College Board with improved data and presentation of data.
Consultation How has consultation with partners been carried out?	
Action requested	<input type="checkbox"/> For information only <input type="checkbox"/> For discussion <input checked="" type="checkbox"/> For recommendation <input type="checkbox"/> For approval
Resource implications (If yes, please provide details)	No
Risk implications (If yes, please provide details)	Yes A review of the College's current Balanced Scorecard has been identified as necessary by SMT and the Board, to ensure it remains fit for its purpose as a strategic tool for measuring key performance indicators and charting progress made towards strategic objectives.
Link with strategy Please highlight how the paper links to the Strategic Plan, or assist with: <ul style="list-style-type: none"> • Compliance • National Student Survey • partnership services • risk management • other activity [e.g. new opportunity] – please 	Perth College UHI Vision 2021: Strategic Plan 2016-21

Perth College UHI

provide further information	
<p><u>Equality and diversity</u></p> <p>Yes/ No</p> <p>If yes, please give details:</p>	No
<p>Island communities</p> <p>Does this activity/ proposal have an effect on an island community which is significantly different from its effect on other communities (including other island communities)?</p>	<p>No</p> <p>If yes, please give details:</p> <p>Click or tap here to enter text.</p>
<p><u>Data Protection</u></p> <p>Does this activity/ proposal require a Data Protection Impact Assessment?</p>	<p>No</p> <p>Click or tap here to enter text.</p>
<p>Status (e.g. confidential/non confidential)</p>	Non-confidential
<p>Freedom of information</p> <p>Can this paper be included in "open" business?*</p>	Open business

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Its disclosure would substantially prejudice the commercial interests of any	<input type="checkbox"/>	Its disclosure would constitute a breach of confidence actionable in court	<input type="checkbox"/>

Perth College UHI

person or organisation			
Its disclosure would constitute a breach of the Data Protection Act	<input type="checkbox"/>	Other [please give further details] Click or tap here to enter text.	<input type="checkbox"/>

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and

http://www.itspublicknowledge.info/web/FILES/Public_Interest_Test.pdf

Balanced Scorecard Proposal

Balanced Scorecard – Review Proposal

www.perth.uhi.ac.uk



Perth College is a registered Scottish charity, number SC021209.

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Executive Summary

This proposal outlines how Perth College's Balanced Scorecard could be more effective in highlighting performance and progress against its strategic objectives. The Balanced Scorecard currently measures the KPIs set out by the four cross-cutting sectors in the College's strategic plan [Vision 2021: Strategic Plan 2016-21](#).

The proposal will review and offer recommendations on:

- whether the current KPIs being tracked provide a true reflection of the college's strategic position year on year to allow for meaningful forward strategic planning
- consider whether the current design is fit for purpose in layout, content and in providing sufficient strategic context to be a meaningful reporting tool

Work in building the proposal focused on feedback and research with the Heads/Leads of each area within the college as well as research into best practice within the sector to identify the right measures to capture strategic performance and inform strategic planning.

The aim of the proposal is to identify two draft proposals for the content and design of the Balanced Scorecard and present these to SMT and the Board for their consideration and feedback. The development of a proposed new Balanced Scorecard would be expected to benefit the Corporate Management Team, Senior Management Team and College Board with improved data and presentation of data.

Background and Introduction

The Balanced Scorecard is a strategic planning and management reporting mechanism used by Perth College to set, track and achieve its strategic objectives. Although measurement of KPIs is a key aspect of the Balanced Scorecard, it is also used as a mechanism for setting and achieving those strategic goals and objectives.

Its basic premise is that once the strategic objectives have been set they should be simultaneously measured, analysed and improved to ensure that progress is consistent against all the measures and that the organisation is therefore able to achieve real growth.

The strategic objectives set out by an organisation should therefore be congruent or consistent, work well together and have synergy of purpose.

What is Perth College UHI currently doing?

Perth College UHI aligns its Balanced Scorecard with the key quantitative and qualitative measures set out within its strategic plan [Vision 2021: Strategic Plan 2016-21](#) in order to

review annual performance against its strategic aims and the targets set within the Highlands and Islands Regional HE/FE Outcome Agreement (ROA).

The key quantitative measures form four distinct elements:

- Students and staff achieving their potential
- Student satisfaction
- Student activity measures
- Sustainability

Baseline data for the quantitative measures is obtained from the previous academic year and an updated version of the Balanced Scorecard goes to each of the college's Board committees: Audit, Engagement, Academic Affairs and the Finance & General Purposes Committee throughout the academic cycle. The full Balanced Scorecard goes forward to the College Board at the end of the academic cycle.

Project Definition

Purpose

To ensure that the strategic KPIs set and measured by the College are fit for purpose and give a true reflection of its strategic position, while incorporating a design that allows for the setting, tracking and analysing of strategic performance in the most effective manner.

Objectives

1. Gain an understanding on whether the current Balanced Scorecard is 'fit for purpose'
2. Review the content of the Balanced Scorecard in order to identify the key indicators which should be tracked to give a true reflection of the college position year on year
3. Review how key measures should align with UHI reporting
4. To identify the most effective method in communicating the measures within the Balanced Scorecard
5. Identify how often the Balanced Scorecard could be presented and at what times of the academic year

Defined Method of Approach

How the proposal was carried out:

The process/methodology for the proposal included the following activities:

- Meetings with relevant senior internal stakeholders to identify the brief for the proposal and feedback on the

college's current Balanced Scorecard

- Planning sessions with relevant Heads of Service to identify the relevant KPIs and reporting mechanisms
- External research into the background and purpose of the Balanced Scorecard
- Sector-wide research to identify best practice
- SWOT analysis of current college Balanced Scorecard (see Appendix 1.2)

Scope & Exclusions

The scope of the proposal will only review and propose recommendations on the Balanced Scorecard itself, it does not highlight any recommendations or changes to the College's Strategic Aims. For the purpose of the internal stakeholder feedback, the following areas of the College were identified;

- Finance
- Estates
- Academia (Inc. Academic Practice)
- Student Experience
- Business Development
- Human Resources and Operational development

Time constraints did not allow feedback to be captured from the following College areas

- Information Services
- International

The proposal excludes:

- The inclusion of the AST (Air Service Training) as a college department

Constraints & Assumptions

The constraints on the project are:

- Staff time to reflect and feed into the review for their areas and overall Balanced Scorecard
- Time frames through;
 - Date for required proposal to go to the Senior Management team and College Board (April & May 2019)

The assumptions supporting the project are:

- Senior management will provide clear direction on feedback of the proposal before it is presented to the College Board
- The College board will provide feedback on the recommendations outlaid within the proposal
- That the proposal is used as a basis for further work on the options for the College's Balanced Scorecard moving forward

Risks & Mitigations

The risks to the success of the proposal are:

- Not enough time given to prepare a comprehensive review before the beginning of the last Board committee cycle of this academic year
- Competing priorities of the stakeholders involved in what the Balanced Scorecard should include

The mitigation planned against these risks include:

- To receive timeous feedback from senior stakeholders to move quickly onto the second draft stage of the review
- The focus to be on the content and metrics of the Balanced Scorecard before identifying design requirements
- An implementation plan to be scoped at a later stage and not as part of the initial proposal

Balanced Scorecard Review – Feedback on the current process

The College Board, Senior Management Team and Corporate Management Team have identified the Balanced Scorecard as no longer being effective in providing a true reflection of the College's strategic position. In particular, there is a lack of clarity around:

- The purpose of the Balanced Scorecard
- The number of high level measures
- What the high level measures should be
- A lack of context and analysis
- Whether it provides a true strategic reflection of the college position
- How it is used to drive the strategic direction of the college

Currently there is a 5-year strategic plan and the Balanced Scorecard is measuring performance against strategic aims set in 2015-16.

Balanced Scorecard Review – Stakeholder Feedback

Meetings were held with relevant senior internal stakeholders and Heads/Leads of each area within the college for them to give their input into the proposal and feedback on the college's current Balanced Scorecard

Board of Management

- A shorter list of measures – capturing one or two measure from each of the 4 quadrants – Students and staff achieving their potential/Student Satisfaction/Student activity measures/Sustainability
- Higher level reporting – show a stronger correlation to strategic measures rather than operational
- Show levels of tolerance rather than RAG/arrows which are misleading
- Would like a trend indicator to track the variance over the period of time
- Show whether meeting sector average
- Critical success factors – identify/show short/middle/long term factors

Associate Principal – Curriculum

There needs to be a stronger alignment with the [ROA objectives for AY 2019-20](#). SFC will be looking closely to see whether we are meeting our objectives and the impact of the work we do to meet them.

Outcome agreements should align with strategic objectives, as we are accountable for institutional performance against the priorities set out in the agreement.

Head of Learning & Teaching Enhancement


- Identify where we want our aims to come from - ROA / Strategic Plan / EREP
- The ROA is agreed at UHI level however Perth should set its own internal targets which the Balanced Scorecard measures.
- The Balanced Scorecard should show a trajectory which although the current version does do, it needs to be more clearly presented.
- The Balanced Scorecard is a tool to show quantitative data, however qualitative data also needs to be considered.
- How are measuring qualitative data – eg increased accessibility of our courses
- Should we use sector benchmarking, reflect LMI to set the context for our data?

Head of Student Experience

- The current 5-year strategic plan, this feels too long a period to within a faster moving landscape –a 3-year plan like the EREP with the longer aim objectives setting out our Vision rather than our measures.
- The Balanced Scorecard cannot be:

Static measures must change to reflect current landscape/drivers/priorities

Disparate cannot exist in isolation from EREP/ROA

- How should student engagement be measured – what should the framework/model for student engagement be eg move away from a strictly representation based focus.
- Replace the reference to Class Reps with the agreed terminology Course Reps
- The questions asked in the SSES and NSS change periodically this should be reflected in the Balanced Scorecard
- The arrows/RAG are misleading where a small percentage increase/decrease is measured eg 92% down to 91% would be shown as  for what was still a good performance.
- Levels of tolerance would be a better indicator.
- There are no targets given other than improvement/upward and targets then do not reflect UHI and or national targets.
- The current Balanced Scorecard provides quantitative, consideration should also be given to providing qualitative/analytical insight.
- College managers were not involved in the last strategic plan and the measures identified which feed into the current Balanced Scorecard
- The purpose of the Balanced Scorecard should be clearly indicated
- There should be a feed down mechanism from the College's Senior Management and Board of Management.

Human Resources (Interim Lead)

The current set of measures fulfil the minimum requirements for Human Resources KPI data.

- **3a No. of staff CPD days per annum**
This is a typical measure and the target of 6.5 is in line with sector requirements
A supplementary measure would be to quantify the cost/investment impact for the College.
- **3b Proportion of staff with teaching qualifications**
This is a typical measure and Colleges Scotland gives clear guidance on the targets that must be met by Colleges.
A supplementary measure would be to indicate the percentage of staff with 2+ years of service who have still to attain their TQFE – Colleges Scotland have indicated this group should be a priority.
- **3c Nos of staff presenting papers at conferences and number of publications**
This measure would benefit from a clearer indication of its purpose and whether there should be a supplementary measure indicating how the College is meeting its targets in respect of research-related excellence and as part of the UHI submission to the REF2021 (Research Excellence Framework)
- **11a Staff turnover (&) to be maintained below the national average**
It is not clear from the information available whether the national average refers to the education/public sector or includes the private sector average.

- **11b No of days staff absent on sick leave**
This is a typical measure which would benefit from a supplementary measure showing the cost (£) impact to the College.
- **12 No. of accidents reported to HSE**
This is a typical measure

Head of Finance

Finance provides data against 2 lines:

- 10a. Outturn: Measure – achieve a break even underlying operating decision
- 10c. Non-core funding income (to include Knowledge Transfer (KT)): Measure: % of Income from non-SFC (inc. KT)

What should be measured to make it more informative/useful?

A base year should be representative of a normal year eg 2015-16 the College had funding for the building of ASW which skewed figures

Set specific targets relative to the value eg for non-SFC income would give Strategic provide better strategic direction eg need to focus more on diversifying income streams eg international income or set targets for ASW income.

Using 'break-even' as a measure gives a false expectancy – in reality 'break even' is not achievable, there will always either be an over or under total.

How should SMT/CMT/Board use the BS?

In a developed financial reporting structure it would be the driver for SMT/CMT's/Board financial mindset and what the college priorities need to be based on its financial position eg are we healthy?

What is not being captured?

Proportion of staffing costs v total income – this is an important measure as Staffing is our biggest cost and therefore our biggest risk

Income diversification – perhaps more obvious terminology than 'Non-core Funding Income'

Break down more be more specific – Outturn is the very overarching and does not allow for any breakdown of the information

How Often?

Financial information can be provided on a monthly basis.

Head of Estates

The key is how the Balanced Scorecard and the KPIs it measures are communicated.

Carbon footprint KPIs report goes to CMT and SMT separately approx. 4x pa

Current position:

Data is aligned to current college strategic plan Vision 2021: Strategic Plan 2016-21

Sustainability – Key measures 10b Carbon footprint

Current objective as a college is to reduce our carbon footprint (no set targets for this)

Data is discussed at F&GP in March – the Head of Estates can give context and respond to Committee's questions on the data

Discussed at Audit committee – Sept & Feb

Further context could be included by:

SWOT analysis

External factors – give an overview

Internal factors – square footage of campus, opening hours

How we measure – absolute or relative; the way the Government measures use, affects our figures positively but is not a result of real change

What is not being captured?

Developing sustainability within the Curriculum eg Hair & Beauty, Construction use of resources eg water, building materials

Curriculum design – the environmental impact of our courses eg Aircraft Engineering

Wider influence – are we sending our learners into the wider world with the knowledge of what a sustainable community looks like, that they can then share.

Head of Business Development / ASW

- Data should be qualitative as well as quantitative eg the no. of businesses on a database also needs to be able to show how many of those have led to meaningful engagement such as live contact or to a contract.
- Qualitative data is harder to measure but there is usually a link on growth/improved figures and increased quality. Eg improved customer service/well trained staff.
- The number of contracts is a more useful measure for business engagement and it is important to capture the reasons where initial contact did not lead to meaningful engagement such as a live contract.
- The impact of the engagement should be measured.
- Modern Apprentice statistics – what is the value of splitting SDS/non-SDS? It is the income generated and not only the quantity that should be measured.
- The Academy for Sport and Wellbeing (ASW) is not currently captured. It is commercial and its targets are financial however there are also measures that cross over into student experience eg successful destinations -employing graduates, work placements, sustainability, partnership engagement. A report on the ASW goes to SMT every 3 months however its strategic importance to the College should also be reflected.
- We measure staff cpd but without aligning to government objectives eg digital literacy.

The purpose of the Balanced Scorecard:

- To give strategic managers an insight into the business.

- To show growth – take what works and build on it – and meet or put measures in to meet targets.
- To show what the impact has been
- To identify risk
- To mitigate against risk

Balanced Scorecard Review – UHI Alignment

This section briefly outlines the UHI approach to measuring and reporting of both HE and FE key performance indicators (KPIs) and core performance indicators (CPIs).

- Updates of CPIs and related KPIs is presented to the University Court for HE data and Further Education Regional Board (FERB) for FE data.
- Data is presented on a quarterly basis as a full report of tabulated data together with a supplementary report providing insight and analysis of the data available since the last report. (see Appendix 1.5 for an example of the tabulated data)

Balanced Scorecard Review – Sector Best Practice

The section briefly outlines the findings from external research undertaken to identify sector practice and capture examples of best practice.

- Five-year Strategic Plans are common across the sector
- No strong trends were identified in the sector approach to capturing and measuring strategic aims and objectives.
- No common usage of the terminology ‘Balanced Scorecard’ was identified
- **Examples of sector best practice:**
City of Glasgow College have developed a dedicated in-house live dashboard showing ‘up to the moment’ statistical information that allows their Board of Management and senior team to access real-time analysis of progress against indicators and enable the facilitation of further refinement of key college strategies. See City of Glasgow College Strategic Plan 2017-2025
<https://www.cityofglasgowcollege.ac.uk/sites/default/files/City-of-Glasgow-College-Strategic-Plan-2017-2025.pdf>

Edinburgh University are embarking on a Strategic plan refresh of their current Strategic Plan published in 2016. This is as a result of substantial changes within the sector environment and other key external developments. See
<https://www.ed.ac.uk/governance-strategic-planning/strategic-planning/strategic-plan-refresh-2019>

Proposal Recommendations- Content

The following recommendations are based on the themes emerging from the feedback received from each Head/Lead.

The Vision 2021: Strategic Plan 2016-21 is a 5-year plan that sets out the key quantitative measures, which populate the Balanced Scorecard. The 5-year period does not allow the College to reflect the changing sector landscape.

- The proposal would support either to:
 1. Retain the 5-year plan as a vision document and produce an annual review of the key quantitative measures in order to stay aligned with the relevant strategic aims.
 - or
 2. Move to a 3-year strategic plan to be able to reflect relevant strategic aims

Strategic aims should align with local and national external drivers:

- Scottish government priority outcomes and the new priorities for College Outcome Agreements: 2019-20 to 2021-22.¹
- The Tay Cities Region Deal

The Balanced Scorecard should reflect all college activities and each area within the college.

- The proposal would go forward to support a more extensive review of the key measures of strategic importance, in coordination with the feedback gathered from each Head/Lead with the ambition that each area within the college have a dedicated section with KPIs
- This would be feed in to the work that will begin in 2020 to the College's next Strategic Plan

Qualitative and quantitative measures for key indicators should be included in the Balanced Scorecard.

- The proposal would support the addition of a Performance Insight section in the Balanced Scorecard for indicators that are of greatest interest and/or change as well as to highlight examples of good practice
This would:
 - provide the opportunity to analyse and evaluate the progress toward key objectives – what is working well and what requires attention
 - inform strategic decision-making

Target setting and levels of tolerance should be clearly set out. A review of target setting and levels of tolerance in consultation with the Heads/Leads of each college area would:

¹ See SFC Guidance for the development of College Outcome Agreements: 2019-20 to 2021-22
http://www.sfc.ac.uk/web/FILES/guidance_sfcgd222018/SFCGD222018_College_Outcome_Agreement_Guidance_2019-20.pdf

- provide specific, realistic targets with a strong correlation towards achieving strategic objectives

Discussion of targets with Heads/Leads should be on an ongoing basis to:

- maintain both a department focus and a focus on progress towards achieving strategic objectives

Proposal Recommendations- Design

Although the design requirements of the College's Balanced Scorecard were not the focus of the feedback gathered from Heads/Leads, the following 2 outline proposals provide examples of how the data measured could be presented in order to better capture strategic performance and inform strategic planning.

Design Proposal One (see Appendix 1.3):

The design presents the Balanced Scorecard in 2 parts and aims to meet the brief of providing summary high level measures together with insight and analysis of key indicators:

1. Summary

- Gives a summary of the full Balanced Scorecard in a simple table layout with performance shown for the current year only
- Target Performance Status is measured using a key colour code showing whether the target has been Achieved/Significant Progress/Missed
- KPI Performance Status is measured using arrows to indicate Improving/Maintaining/Worsening
- a Trendline column showing variance in performance for the past 3 academic years
- a Sector Average column to indicate benchmarking of current position

2. Performance Insight

- Insight and analysis into the KPI updates is provided for areas of greatest interest and/or change
- An extract from the summary table is given as a reminder of the individual indicator
- A bar chart give a pictorial representation of data over the past 3 academic years
- Insight provides context for the performance of the indicator

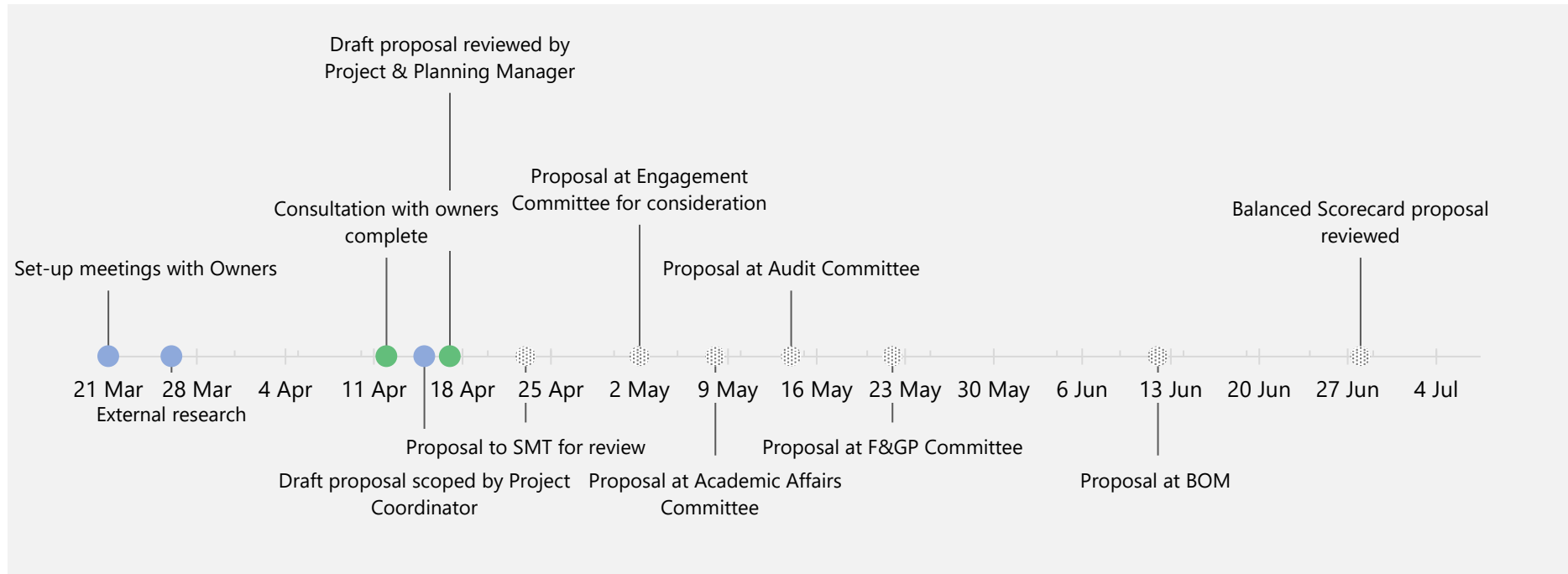
Design Proposal 2 (see Appendix 1.4):

This design aims to simplify the layout and contents of the existing table format.

- The number of columns are limited to the baseline year and the current year to give a simplified and accessible presentation of the current year's performance against the set strategic measures
- The Trendline column gives a pictorial representation of performance for the past 3 academic years
- The '?' column highlights those measures requiring further scrutiny or that are examples of good practice. (? = Mark for Attention)
- Similarly to the current process, brief commentary for each measure would be provided in the Comments column

Appendices

Appendix 1.1 – Project Timeline



Appendix 1.2 – Threats & Opportunities Matrix

	Threat (if there is no change)	Opportunities (if changes are made)
Short Term	Stay where we are	Fit for purpose Improved strategic measures Greater strategic focus across all college areas
Long Term	Lack of strategic focus Non-alignment with other strategic drivers – eg EREP, ROA	Improved links to local and national strategic drivers Aligns with other college plans – eg EREP, ROA Improved links to sector landscape Improved strategic decision making

Appendix 1.3 Design Proposal One - Example

Strategic Plan Targets and KPIs: Progress Report 2018-19

1. Summary (Example of proposed presentation of quantitative data)

Key: KPI performance status

Improving	↑
Maintaining	←
Worsening	↓

Key: Target performance status

Target achieved	
Significant progress made towards achieving target	
Target missed	

Key Performance Indicator or Target	Performance	Trendline	Sector Avg.
Students and staff achieving their potential			
<i>1.0 Students</i>	↔		
a) Number of FT programmes that offer opportunities for work experience of equivalent to 1 unit or more			
b) Number of apprenticeships			
c) Vocational qualifications delivered to senior phase pupils			

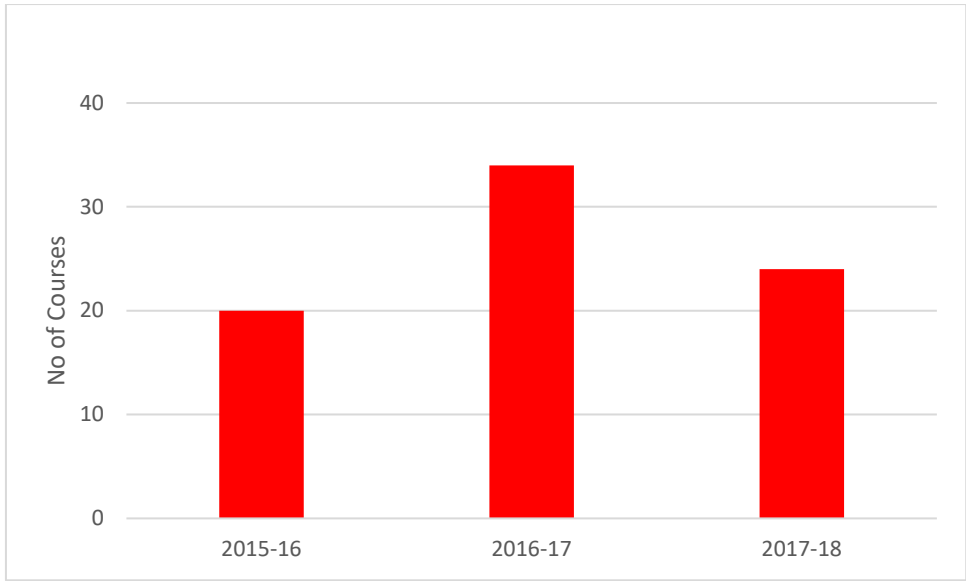
2. Performance Insight (Example of proposed presentation of qualitative data)

Key Performance Indicator or Target	Performance	Trendline	Sector Avg.
Students and staff achieving their potential			
<i>1.0 Students</i>	↔		
b) Number of apprenticeships			

KPI 1 a) Number of apprenticeships

Status: Worsening


Tolerance: 1 percentage point (+/-) previous 3 year average



Insight (example)
New measure implemented for 2016-17.

Appendix 1.4 Design Proposal Two – Example

Perth College UHI Scorecard for Vision 2021: Strategic Plan 2016-21

No	Vision 2021 Scorecard Measure	Baseline 2015-16	2018-19 Performance	Trendline (for past 3 academic years) 	?	Comments
Students and staff achieving their potential						
1	Students:					
	a) Number of FT programmes that offer opportunities for work experience of equivalent to 1 unit or more					
	b) Number of apprenticeships					
	c) Vocational qualifications delivered to senior phase pupils					
2	Perth College students moving on to positive destinations (including progressors)					
3	Staff:					
	a) Number of staff days spent on CPD/year					
	b) Proportion of staff with teaching qualifications					
	c) Numbers of staff presenting papers at conferences and number of publications					
Student satisfaction						
4	Track FE and HE student satisfaction through national student surveys:					
Definitions: Current (R/A/G) = Red, Amber or Green, status at the time of reporting			? = Mark for attention			

Appendix 1.5 UHI CPI and Related KPI Data Example

Strategic Vision and Plan 2015/2020 – March 2019 Full report

Student numbers: updated data for this reporting period is **highlighted**

CPI/KPI	Student Numbers	Baseline (2013/14)	2014/15	2015/16	2016/17	2017/18 (in-year 2018/19)	Target (2019/20)	
CP1 1a	Total students (all higher education)	5636 FTEs	6042 FTEs (7% growth)	6321 (5% growth)	6687 (6% growth)	7046 (5% growth, 25% over the plan period)	7700 FTEs (growth from baseline (37%).	
CPI 1b	Total further education activity	157,110 wSUMS (weighted SUMs)	159,301 wSUMS (1.4% growth)	116,644 credits (1.9% above SFC target (core+ESF)	116,778 credits (1.2% above SFC target (core+ESF)	114,969 credits (1.6% above SFC target (core+ESF) 2018-19 forecast to meet core target plus 400 of the 2200 ESIF target	Achieve regional SFC target (plus ESF)	
CPI 2	Share of entrants to UG higher education from within the region	30%	32%	33%	35%	Waiting updated data from HESA	35%	

Perth College UHI

Paper 6

Committee	Finance & General Purpose Committee
Subject	Estates Update
Date of Committee meeting	22/05/2019
Author	Gilbert Valentine
Date paper prepared	02/05/2019
Executive summary of the paper	Update on recent activity within Estates domain
Consultation How has consultation with partners been carried out?	Not relevant
Action requested	<input type="checkbox"/> For information only <input type="checkbox"/> For discussion <input type="checkbox"/> For recommendation <input type="checkbox"/> For approval
Resource implications (If yes, please provide details)	No
Risk implications (If yes, please provide details)	N/A Click or tap here to enter text.
Link with strategy Please highlight how the paper links to the Strategic Plan, or assist with:	N/A

Perth College UHI

<ul style="list-style-type: none"> • Compliance • National Student Survey • partnership services • risk management • other activity [e.g. new opportunity] – please provide further information 	
<p><u>Equality and diversity</u></p> <p>Yes/ No</p> <p>If yes, please give details:</p>	<p>No</p>
<p>Island communities</p> <p>Does this activity/ proposal have an effect on an island community which is significantly different from its effect on other communities (including other island communities)?</p>	<p>No</p> <p>If yes, please give details:</p> <p>Click or tap here to enter text.</p>
<p><u>Data Protection</u></p> <p>Does this activity/ proposal require a Data Protection Impact Assessment?</p>	<p>No</p> <p>Click or tap here to enter text.</p>
<p>Status (e.g. confidential/non confidential)</p>	<p>Not confidential</p>
<p>Freedom of information</p> <p>Can this paper be included in “open” business?*</p>	<p>Open</p>

* If a paper should **not** be included within ‘open’ business, please highlight below the reason.

Perth College UHI

Its disclosure would substantially prejudice a programme of research	<input type="checkbox"/>	Its disclosure would substantially prejudice the effective conduct of public affairs	<input type="checkbox"/>
Its disclosure would substantially prejudice the commercial interests of any person or organisation	<input type="checkbox"/>	Its disclosure would constitute a breach of confidence actionable in court	<input type="checkbox"/>
Its disclosure would constitute a breach of the Data Protection Act	<input type="checkbox"/>	Other [please give further details] Click or tap here to enter text.	<input type="checkbox"/>

For how long must the paper be withheld? [Click or tap here to enter text.](#)

Further guidance on application of the exclusions from Freedom of Information legislation is available via:

<http://www.itspublicknowledge.info/ScottishPublicAuthorities/ScottishPublicAuthorities.asp>

and

http://www.itspublicknowledge.info/web/FILES/Public_Interest_Test.pdf

Estates Update May 2019

Introduction

The following report provides a summary of items of work within the Estates Department as at 1st May 2019.

Backlog Maintenance

Consideration is required on how to address the 2017 SFC identified backlog maintenance figure likely to be up to £13M. Future years maintenance funding to be allocated sequentially to address and review the position as it evolves. There is currently not a visible SFC strategy to address further allocation of funding beyond the first year funding.

Summer Works 2019

The minor works scheduled to be undertaken in the summer 2019 recess include the following items in Goodlyburn - Boilerhouse upgrading, Theatre seating re-upholstery, several rooms vinyl reflooring, fire door upgrading, façade powerwashing, painting/stain to entrance, column repairs in 407 and some corridor lighting replacement with LED.

The minor works being undertaken in Brahan in the summer 2019 recess include some redecoration, vinyl flooring, toilet refurbishment, library and classroom replacement LED lighting, electric car charging points (two number), and potentially Library recarpetting subject to available budget/time/access.

Elsewhere items of minor works include CCTV at both the exterior of Brahan and Goodlyburn, hair dryers in changing rooms at ASW and other ancillary items.

PPM summer works

The regular annual schedule of planned preventative maintenance of services will occur during summer 2019. This will cover boiler servicing, gas servicing, air conditioning, emergency lighting, ventilation, fire alarm, intruder alarm and other mechanical and electrical items relating to the buildings.

Flat at 28 Morris Court.

This residential property is due to go on market through Thorntons marketing when students vacate before summer 2019.

Kinross Learning Centre

Kinross Learning Centre has been advertised for sale through J&E Shepherd and the College have received 2 offers and a further 2 notes of interest.

Provision of Callout Response out-of-hours.

Consideration is being given to outsourcing the callout response to intruder and fire alarm response from in-house caretaking staff to external service providers.

Training Caretaking Staff in Conflict Resolution

Training has been ordered to allow all caretaking staff to undertake conflict resolution training.

TCD Pre-Application Planning Enquiry

A pre-application planning enquiry has been prepared for submission to Perth & Kinross Council Planning Department to facilitate the location of Tay Cities Deal Aviation Academy of Scotland proposal on the Crieff Road Campus.

Alarm Receiving Centre (ARC)

McGills were the Colleges contractor who managed the remote Alarm Receiving Centre (ARC) for the fire and intruder alarm, and they went into liquidation in recent weeks. Their service has been taken over by IC Fire and Security and all remote intruder and fire alarms serving Brahan, Goodlyburn, Webster, ASW, Nursery and residences buildings are now operated on the ICFS dualcom system.

Radio Mast leases

Discussions are ongoing with lessees of the Radio Masts on Brahan building rooftop. The College has taken legal advice and engaged specialists to advise on negotiations with telecommunications operators seeking to renegotiate lease arrangements. The College has recovered some back payment of electricity from the high telecommunication users.

Estate Strategy

Work has not yet been commenced on revision of the Perth College Strategic Development Plan of March 2008.

Learning Centres Closure

Estates staff have surveyed the Learning Centres to prepare for closure in summer 2019.

LED Installation

Estates in-house staff installed LED lighting in the Brahan Corridors during summer 2018 and this is being extended to Brahan Classrooms, library and Goodlyburn areas as funds and access allow. This is intended to assist the reduction of electricity consumption and the associated carbon emissions, as well as update the lighting levels/aesthetics.

Electric car

The College has received funding from Transport Scotland via the Perth & Kinross Council Community Partnership to assist with the 3 year leasing of two electric vehicles. One is an electric car received on 4th April 2019 and the other is an electric van with expected delivery during summer 2019.

Security

There have been a number of Security issues in the past year as noted in the table below.

More recently, more prevalent anti-social behaviour from youths.

Date	Issue	Police advised
11 Aug 2017	2 Broken windows GB	Yes
28 Aug 2017	Man raking in bins	Community Police
27 Oct 2017	Stolen bag ASW	Yes
02 Oct 2017	Phone theft from Study centre	unknown
21 Nov 2017	Intruder breakin to Brahan	Yes
15 Jan 2018	Substance abuse in toilets at Brahan by visitors	Yes
19 Jan 2018	Car damage	unknown
27 Jan 2018	Car damage	unknown
03 Feb 2018	Car damage	unknown
02 April 2018	Broken Window	yes
24 May 2018	Damage to car	yes
27 June 2018	Fire in trees outside Webster	Fire Brigade attended
28 June 2018	Vandalism to car	unknown
29 Aug 2019	Lawnmower theft from Goodlyburn	yes
02 Sept 2018	Drug use overnight evidenced by Securitay patrol	Community Police
05 Sept 2018	Intruder slept in Brahan overnight	Yes
07 Sept 2018	Vandalism to car	unknown
04 Feb 2019	15 abusive school students in Webster	Yes
12 Feb 2019	Bicycle damaged	unknown
24 Feb 2019	Person arrested on campus over weekend	Police advised College
12 April 2019	2 broken windows	yes
22 April 2019	20 youths run amok in Goodlyburn	yes

Estates Staff Office relocation

The Estates staff have relocated offices from Brahan 034 to 145 and are reviewing operational elements of work.

REF : Draft GV 29 April 2019.

Perth College UHI

Paper No. 7

Committee	F&GP Committee
Subject	HR Update
Date of Committee meeting	Click or tap to enter a date.
Author	Jen McGillivray
Date paper prepared	06/05/2019
Executive summary of the paper	This is an update on the activities the HR team have undertaken.
Consultation How has consultation with partners been carried out?	NA
Action requested	<input type="checkbox"/> For information only <input checked="" type="checkbox"/> For discussion <input type="checkbox"/> For recommendation <input type="checkbox"/> For approval
Resource implications (If yes, please provide details)	No
Risk implications (If yes, please provide details)	No Click or tap here to enter text.
Link with strategy Please highlight how the paper links to the Strategic Plan, or assist with:	Click or tap here to enter text.

Perth College UHI

<ul style="list-style-type: none"> • Compliance • National Student Survey • partnership services • risk management • other activity [e.g. new opportunity] – please provide further information 	
<p><u>Equality and diversity</u></p> <p>Yes/ No</p> <p>If yes, please give details:</p>	<p>No</p>
<p>Island communities</p> <p>Does this activity/ proposal have an effect on an island community which is significantly different from its effect on other communities (including other island communities)?</p>	<p>No</p> <p>If yes, please give details:</p> <p>Click or tap here to enter text.</p>
<p><u>Data Protection</u></p> <p>Does this activity/ proposal require a Data Protection Impact Assessment?</p>	<p>No</p> <p>Click or tap here to enter text.</p>
<p>Status (e.g. confidential/non confidential)</p>	<p>Confidential</p>
<p>Freedom of information</p> <p>Can this paper be included in “open” business?*</p>	<p>No – all Chairs business is confidential</p>

* If a paper should **not** be included within ‘open’ business, please highlight below the reason.

Perth College UHI

Its disclosure would substantially prejudice a programme of research	<input type="checkbox"/>	Its disclosure would substantially prejudice the effective conduct of public affairs	<input type="checkbox"/>
Its disclosure would substantially prejudice the commercial interests of any person or organisation	<input type="checkbox"/>	Its disclosure would constitute a breach of confidence actionable in court	<input type="checkbox"/>
Its disclosure would constitute a breach of the Data Protection Act	<input type="checkbox"/>	Other [please give further details] Click or tap here to enter text.	<input type="checkbox"/>

For how long must the paper be withheld? Permanently

Further guidance on application of the exclusions from Freedom of Information legislation is available via:

<http://www.itspublicknowledge.info/ScottishPublicAuthorities/ScottishPublicAuthorities.asp>

and

http://www.itspublicknowledge.info/web/FILES/Public_Interest_Test.pdf

F&GP HR&OD Update

Prepared by: Jen McGillivray, Interim HR Team Lead

Date: 6 May 2019

HR&OD Structure

There are currently 4 vacancies in the team, which are as follows:

- HR & OD Business Partner – Permanent
- HR & OD Business Partner – Fixed term
- HR Adviser – Equality, Diversity and Inclusions – Permanent
- HR Adviser – Permanent

Staff Conference Day

The next Staff Conference Day is on the 21st of June 2019. The planning group incorporates members from all areas of the College and we are hoping this will increase staff engagement on the day.

National Bargaining

Lecturers

The terms and conditions have been reviewed by our lawyers and are now with the union to review and agree.

There have been four days in 2019 where industrial action has taken place (16 January, 5 February, 6 March and 21 March 2019). Three more strike days had been confirmed, however the first one which was going to be on the 8th of May was suspended. The other two days (15 and 16 of May) may will go ahead.

Permanisation is currently being discussed with the Union.

Support

National Job Evaluation has an implementation date of 1 September 2018 and work is being carried out to create a plan of action of how to collate the information required.

Learning Centres

Consultations have commenced for those impacted by the closure of the learning centres.

Health, Safety and Wellbeing

Sickness Absence Statistics

Please find below college sickness absence information for the academic year Q1 and Q2 of Academic Year 2018/2019

CIPHR	2017/2018 (full year)		2018/2019 Q1		2018/2019 Q2	
	Total Sick Days	Average Sick Days per Head	Total Sick Days	Average Sick Days per Head	Total Sick Days	Average Sick Days per Head
Management	118.5	5.38	2	0.11	8	0.42
Support	2385.75	9.21	622	2.40	381	1.50
Academic	1031.5	5.67	148	0.39	209	0.56
Total	3538.25	5.51	772	2.90	598	2.49

Equality, Diversity and Inclusion

Menopause Policy

A member of HR is attending the Menopause at Work Seminar on Friday 26 April, this will be a really beneficial seminar and some of the information gathered from the seminar may feature in a policy.

Period Poverty

Work is ongoing to extend our current provisions, and we are in communication with the NHS/Well Woman Clinics to ascertain whether the products we currently provide are sufficient.

Committee	Finance and General Purposes Committee
Subject	Tay Cities Deal Update – Aviation Academy for Scotland
Date of Committee meeting	22/05/2019
Author	Veronica Lynch, Vice Principal External Engagement
Date paper prepared	13/05/2019
Executive summary of the paper	<p>This paper includes the Outline Business Case for the Aviation Academy for Scotland (AAS) submitted to the Tay Cities Deal (TCD) under delegated authority on 29 April 2019.</p> <p>The Strategic Outline Case (SOC) submitted to TCD in October 2017 had received an indicative £8.1m of Capital funding from the UK Government part of the Tay Cities Deal (TCD). This OBC proposes the same financial split by partner:</p> <p>Perth College UHI and AST – £6.03m towards a proposed new build on Perth College UHI Campus.</p> <p>Tayside Aviation - £2.14m towards the fit out of an existing building owned by Dundee City Council at Dundee Airport.</p> <p>This funding is subject to the OBC being accepted by the UK Government and the TCD Management Group. A 3 week window for feedback would provide an opportunity for required revisions and outstanding queries to be resolved by 30 May 2019. This is an estimated date driven by all projects providing approval ready OBC's.</p> <p>Approval of the OBC would enable a Full Business Case (FBC) to be prepared for submission and approval by November 2019.</p> <p>It is recommended that the Board</p> <p>1 Note the submission of the Aviation Academy for Scotland (AAS) Outline Business Case (OBC) within the Tay Cities Deal programme.</p>

Perth College UHI

<p>Consultation</p> <p>How has consultation with partners been carried out?</p>	<p>The Board have been kept abreast of developments with the Tay Cities Deal programme as they have arisen.</p>
<p>Action requested</p>	<p><input checked="" type="checkbox"/> For information only</p> <p><input type="checkbox"/> For discussion</p> <p><input type="checkbox"/> For recommendation</p> <p><input type="checkbox"/> For approval</p>
<p>Resource implications</p> <p>(If yes, please provide details)</p>	<p>Yes/ No</p> <p>There will be staff time required to refine the Outline Business Case and to develop the Full Business Case for the TCD.</p> <p>Funding of an estimated £500,000 to support the tendering of the Professional Fees to spec the building ahead of the TCD funding being formally awarded. The Board previously endorsed approaching UHI to support this investment once the OBC has been accepted by the UK Government.</p>
<p>Risk implications</p> <p>(If yes, please provide details)</p>	<p>Yes/ No</p> <p>Professional fees will require to be incurred to quantify the build cost in order to submit a fully costed business case. There is a risk that if the Full Business Case is not approved, that expenditure would be at the College's own risk.</p> <p>Mitigation – Seek support for these fees through a potential partner such as Perth and Kinross Council or alternatively by requesting a non-repayable loan from UHI EO.</p>
<p>Link with strategy</p> <p>Please highlight how the paper links to the Strategic Plan, or assist with:</p> <ul style="list-style-type: none"> • Compliance • National Student Survey • partnership services • risk management • other activity [e.g. new opportunity] – please 	<p>Provide a summary of the how the paper links to key College priorities and what they are</p> <p>This project supports the delivery of the strategic aim</p> <p>2. Work in partnership to foster and drive positive change and growth in local, regional, national and international economies.</p>

Perth College UHI

provide further information	
<p><u>Equality and diversity</u></p> <p>Yes/ No</p> <p>If yes, please give details:</p>	<p>An Equality Impact Assessment will be undertaken as the project develops to ensure access to all audiences to the project.</p>
<p>Island communities</p> <p>Does this activity/ proposal have an effect on an island community which is significantly different from its effect on other communities (including other island communities)?</p>	<p>Yes/ No</p> <p>If yes, please give details:</p> <p>Click or tap here to enter text.</p>
<p><u>Data Protection</u></p> <p>Does this activity/ proposal require a Data Protection Impact Assessment?</p>	<p>Yes/ No</p> <p>Set out any data protection aspects and whether a data protection impact assessment is needed</p>
<p>Status (e.g. confidential/non confidential)</p>	<p>OBC Attachment Confidential – This paper includes commercially sensitive information from our project partner. Until this OBC has been formally signed off and can be available within the public domain, this will require to remain confidential.</p>
<p>Freedom of information</p> <p>Can this paper be included in “open” business?* -Yes</p>	<p>Papers should be open unless there is a compelling reason for them to remain closed. If a paper, or parts of a paper, are to remain closed the reason for that exemption must be specified – see reasons below</p>

* If a paper should **not** be included within ‘open’ business, please highlight below the reason.

Its disclosure would substantially prejudice a programme of research	<input checked="" type="checkbox"/>	Its disclosure would substantially prejudice the effective conduct of public affairs	<input checked="" type="checkbox"/>
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Perth College UHI

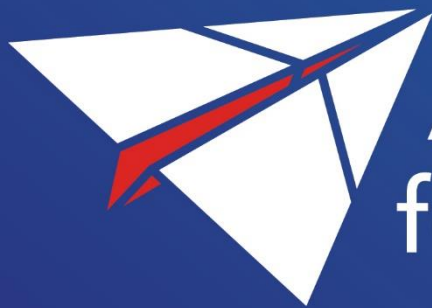
Its disclosure would substantially prejudice the commercial interests of any person or organisation	<input checked="" type="checkbox"/>	Its disclosure would constitute a breach of confidence actionable in court	<input type="checkbox"/>
Its disclosure would constitute a breach of the Data Protection Act	<input type="checkbox"/>	Other [please give further details] Click or tap here to enter text.	<input type="checkbox"/>

For how long must the paper be withheld? Until the OBC and FBC are approved and funding awarded to begin the project. This would be for an estimated 12 months.

Further guidance on application of the exclusions from Freedom of Information legislation is available via:

<http://www.itspublicknowledge.info/ScottishPublicAuthorities/ScottishPublicAuthorities.asp>
and

http://www.itspublicknowledge.info/web/FILES/Public_Interest_Test.pdf



Aviation Academy for Scotland

Outline Business Case 29 April 2019



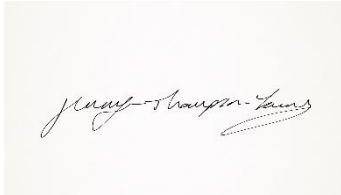
Version Control

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Date: 29th of April 2019

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2. Executive Summary

2.1 Introduction

The purpose of this Outline Business Case (OBC) is to describe the supporting case for Perth College UHI, Air Service Training (Eng) Ltd. and Tayside Aviation, together with other key stakeholders, to take forward an innovative Tayside wide partnership project in the creation of the Aviation Academy for Scotland (AAS). The key objective of the AAS is to provide specialist training, skills and knowledge to enable the growth in the global industry of aviation and emerging clean technologies and low carbon transport sectors from a central Scotland location.

It identifies and justifies the selection of the project's preferred scheme which has been identified through a feasibility workshop in which all options were appraised against the opportunity to meet the project investment objectives whilst also ensuring the Critical Success Factors. It is key to note that these objectives can only be met if spend is allocated against the financial profile as set out within the financial case. Delay to the funding would render the project unachievable due to the rising costs of construction and increasing the risk that the business opportunities are lost to non-UK competitors

The OBC describes the proposal for delivering the AAS through how it will demonstrate it will provide value for money; emphasises sustainability; sets out the contractual solution; demonstrates its affordability; details the supporting procurement strategy and the management arrangements for successful delivery. The AAS involves the development of two sites within the Tayside region with new build accommodation at a capital (construction) cost of circa £8.17 million.

The OBC has been prepared in line with guidance by HM Treasury for business cases and is commensurate with the scale of the problem and scale of the proposed strategy to tackle the problem. Together with introductory and explanatory chapters, it is divided into five main sections:

- Strategic Case – which demonstrates the proposals are supported by a robust Case for Change
- Economic Case – which demonstrates the proposals optimise value for money
- Commercial Case – which demonstrates the proposals are commercially viable
- Financial Case – which demonstrates the proposals are affordable
- Management Case – which demonstrates the proposals can be delivered successfully

The Full Business Case (FBC), which will be submitted to government at a later point, will also be written in accordance with the same guidance. It will further develop and finalise the supporting evidence necessary to provide a full business

case for the project. It will include delivery timescales to achieve the project's core objective, namely delivering aviation specialist training, skills and knowledge.

	Capital (£'000)	Revenue (£'000)
City Deal Ask	£8,170	£1,651
Value Awarded in HoT	£8,170	£0

	Capital (£'000)	Revenue (£'000)
City Deal Leverage in SOC	£2,450	£11,149
City Deal Leverage in OBC	£2,450	To be confirmed in FBC

Output / Benefits	Target
Construction Jobs: £2796k - Assumes labour element of capital build requested at 40%	£2,786k
Development Space Unlocked: £280k - Development space in grounds within PC UHI which would otherwise be unutilised	£280k
No. of New Jobs: 21 - New jobs created for the running of new facilities.	Revised figure from SOC: 21
No. of Jobs Protected: 72 - Aircraft Engineering Education sector, preservation of those employed within AST and part of the Engineering and Aviation Sector at Perth College UHI as well as those staff located at Tayside Aviation	Revised figure from SOC: 72
No. of Training Places: 540 - Cumulative total over the first 4 years of operation. Courses will be on offer from Level 4 through 11 within the facility. These anticipated new numbers and not in place of other training routes.	540
No. of Visitors: 3,000 - Cumulative total over 5 years	Revised figure from SOC: 3,000
No. of Start-ups: 20 - 5 per year supported through the Product InnovationLab	20
Research: £500K - Assumed refable papers and publications based on recruitment of research staffing to facility. Research-teaching linkages improved	£500k – figure being reviewed
Research Conferences: £500K - One International conference every 2 years following completion of build	£500k – figure being reviewed
Increase Turnover in Industry Sector: £5m - £1m per annum over five years.	£5,000,000

2.2 Strategic Case

The Strategic Outline Case (SOC) for this project as submitted in 2017 and latterly approved through the Heads of Terms in November 2018, clearly demonstrated that there is a strong strategic case for investment in the proposed AAS. The Strategic Case was reviewed and further developed as part of the Outline Business Case to ensure the encapsulation of any developments within industry or policy contexts. The proposals are in line with the national, both UK and Scotland policies and the strategic direction of all three partners; Air Service Training (Eng) Ltd (AST), Perth College UHI (PC UHI) and Tayside Aviation Ltd (TA). In particular the proposals align with the following:

- The UK Industrial Strategy 2017 where by the AAS will increase the number of PhD's in the STEM subjects, make provision for real life research projects and improve research-teaching linkages.
- Industrial Challenge Fund and the development of early stage researchers in key areas of aviation and clean technology
- Industry 4.0 and the development of meta-skills in all students ensuring the workforce of the future are ready to meet the challenges of an ever changing industry. Whilst also providing the opportunity to engage more widely with industry in the provision of real work-based learning experiences.
- STEM Education and Training Strategy, ensuring all learners have access to relevant and engaging STEM learning. That there is equality of access, opportunities and outcomes in STEM learning for everyone regardless of gender, background, circumstance or geography. The AAS will ensure Scotland and more specifically Tayside has a STEM workforce, leadership and research base which supports economic growth, innovation, creativity and increased productivity and continues to contribute to scientific and technological innovation.
- Enterprise and Skills Review, The AAS will provide a simplified and cohesive approach to the industry's training needs
- Single Outcome agreement for Perth and Kinross
- City Plan for Dundee 2017-2026
- Regional Skills Agreements for Tayside and Highlands Regions
- Tay Cities Deal Strategic Priorities of Innovation, Internationalisation, Investment and Inclusive Growth.
- This project also aligns to and supports the aviation priorities of both the Ayrshire and Moray Growth Deals

2.3 Economic Case

Within the economic case there was rigorous appraisal of both the long and short list of options. This has identified the best way forward which is the creation of two new build facilities; one in Dundee and one in Perth each with its own specialisms. It is

identified by the project team that there is however requirement for the contracting of an external consultant to further the economic case. At present there have been a series of qualitative and quantitative impacts identified from the project however these must be taken forward to determine the full and accurate account of both.

2.4 Commercial Case

A full procurement strategy will be developed once the final structure for the organisations to collaborate is determined. However, as the project is fully government funded, it is expected that the Procurement Reform (Scotland) Act 2014 will apply to both the Perth and Dundee build projects regardless of the ultimate structure. In this context, the timeline for the Dundee build is recognised as challenging, however there are opportunities to condense both procurement timescales and potentially the construction phase.

Perth College UHI will apply lessons learned from the evaluation of the Academy of Sport and Wellbeing project, a recent new building construction and equipping task at Perth and use these to inform good practice. The approach to risk management has been clearly detailed in the Management Case.

The final accountancy treatment will be dependent on the works undertaken for Tayside Aviation. This project will create fixed assets to be held on the relevant balance sheets and depreciated accordingly.

2.5 Financial Case

For Perth College UHI, as a public sector body, capital funding options are limited. The scale of infrastructure investment required across the Scottish Education sector is such that replacement of existing estate will take priority over the creation of new facilities. The Tay Cities Deal provides the only realistic source of funding to realise the ambitions of the Aviation Academy for Scotland.

Full financial modelling will be provided for the Full Business Case (FBC) on finalisation of the agreed delivery model and agreed facilities plans. At this stage the following can be confirmed:

- Total capital funding requirement of £8.17m from Tay Cities Deal
- Annual capital charges of £120,600 for Perth College UHI from 2022/23
- Revenue costs starting from £186k per year to be covered by project partners through additional income generation and efficiency gains

2.6 Management Case

The purpose of the Management Case is to assess whether a proposal is deliverable. It sets out the project planning, governance structure, arrangements for

change and risk management, benefits realisation, post project evaluation and communications and stakeholder management.

The project has produced a plan that supports and manages the project effectively from delivery through to closeout (which is expected at the end of 2022). The key stages within the project are detailed within chapter 7.3.3 within **Table 1**. The project currently sits at the Initiation Stage with preliminary work in Delivery Stage 1 (Detail Designs) currently being undertaken. Construction of the project is planned to start in May 2020 for Dundee and November 2020 in Perth with completion anticipated for January 2021 and September 2021 respectively.

The Governance structure around the project has been created with various levels of roles and responsibilities defined (**Appendix 7.1**). The model in which the project plan and governance has been built in accordance with the PRINCE2 methodology and approach.

In line with the benefits outlined in in the strategic case, a Benefits Realisation Plan (**Appendix 3.2**) has been created and will continue to be developed in which all benefits will be tracked and measured to understand progress.

Risk management within the project will be taken through a portfolio approach and primarily managed via a centralised risk register. The project risk register is a live document that will continually be reviewed and updated through the full project. All risks will be managed through the accordance of the PRINCE2 model; Identify, Assess, Plan, Implement and Communicate.

Following completion of the project, a Post Project Evaluation (PPE) will be undertaken. The focus of the PPE will be the evaluation of the projects outputs and the lessons to be learned made available to others. The process will review the success of the project against its outputs and objectives, its performance in terms of time, cost and quality outcomes and whether it has delivered value for money. It will also provide information on key performance indicators.

2.7 Recommendation

The recommendation is that this project is approved at the full value of £8.17m in capital revenue with funding allocated as per the financial model. This funding will create the Aviation Academy for Scotland and will see the construction of two purpose build premises from which to deliver the investment objectives and outcomes as illustrated within the Outline Business Case.

3. The Strategic Case

3.1 Introduction

The project to create the Aviation Academy for Scotland (AAS) will bring together the resources of Tayside Aviation (TA), Air Service Training (AST), Perth & Kinross Council (PKC), Dundee City Council (DCC) and Perth College UHI (PC) in a unique partnership which will significantly enhance the current levels of Aviation skills and training in Tayside improving the capacity and capability of the sector to ensure it remains competitive within a Global Industry.

The proposal for the creation of the AAS will see the creation of two purpose built facilities which will form the basis on which the AAS will grow and develop to become a centre of excellence worldwide. The first facility will be in the grounds of Perth College UHI, housing both Air Service Training and PC Engineering and Aviation departments with a specialism in Engineering, including licensed engineer, and high level Air Traffic Management following on from the foundation (licence) training delivered at Tayside Aviation. The facility at Dundee Airport will house Tayside Aviation and will deliver world class commercial pilot training and the foundation years of Air Traffic Control leading to the provision of a licence. As demand for Cabin Crew dictates, this will be delivered within the premises in Dundee.

The Vision statement for AAS is:

‘The Aviation Academy for Scotland, delivering the skills for the global aviation industry’

Perth College UHI Strategic Plan

Perth College UHI’s Vision 2021 articulates its ambition for the next 5 years and beyond, building on and enhancing its strengths and adding to the successes already enjoyed. Within the Vision 2021, the strategic plan 2016-21 it identifies 5 key priorities;

- Inspire and empower our students, regardless of background, to recognise and achieve their potential
- Work in partnership to foster and drive positive change and growth in local, regional, national and international economies
- Provide dynamic learning and research experiences within a curriculum that meets economic and societal needs and aspirations
- Optimise the sustainable use of our systems, processes and resources to provide the best possible student experience and outcomes
- Have talented, confident and inspirational staff who contribute to, and make a vital difference to, the success of students, the life of the College, the University and our communities

The Vision for AST is to ***'Achieve safer global aviation'*** with an associated Mission Statement to ***'Provide excellent training and consultancy services to the worldwide aviation industry'***.

The Vision for TA is ***'To provide world class flight training whilst retaining our core values of safety, quality, integrity and value.'***

These are clearly compatible with the AAS Vision and the business strategy for AST is similarly well aligned as it seeks to grow its business revenues and student numbers over future years.

Tay Cities Programmes

Working directly in support of the Tay Cities Skills and Employability Development Programme to deliver Fair Work. 'AAS training and education programs will reduce the aviation industry skills shortage and gaps. Incremental system-wide improvements will be delivered to ensure Inclusive Growth, boosting the flow of individuals from disadvantaged groups. Support for reskilling into career opportunities into Aviation, and more general engineering industries, that will be generated as a direct result of the investment in the Tay Cities Region Deal.

The AAS will also work in support of the 'Preparing for a low carbon economy' programme, with the Product InnovationLab specifically seeking to develop clean technology solutions.

The Product InnovationLab (PIL) will be created to support innovation and R&D for existing manufacturing companies, offering cost-effective product prototyping and testing, as well as low-mass production and specialist incubator and product development support. The PIL will complement the development of the Engineering & Advanced Manufacturing (EAM) facilities in Angus by offering a pipeline to businesses to explore materials and rapidly develop and test innovative product prototypes. It will also offer business support and mentoring to help businesses commercialise their product designs and to help develop new business start-ups coming through the EAM in Angus.

The PIL will be developed across two sites in Perth city, with the main lab being established within the AAS Perth development. A smaller facility will be embedded into the Perth Creative Exchange development near the city centre.

Both sites offer important resources for the development of the project. Within the UHI there is a resource of knowledge and expertise in the testing of materials and the development and testing of prototypes. In the Creative Exchange there is a business incubator facility and connections to business angel networks in the region. The combination of these resources will enable the development of a support framework to aid new and existing businesses to develop and grow through the prototyping and testing of innovative products, with the business support to take their products to the market.

Tay Cities Deal & Ayrshire Growth Deal

The Ayrshire Growth Deal (AGD) will see Ayr College, Chevron Aircraft Maintenance, Ryanair, Collins, Prestwick Aviation Maintenance and other companies working together to create an EASA Part 147 approved centre delivering EASA Part 66 courses in Ayrshire. The primary focus will be on large commercial aircraft together with development of skilled technicians for work in the expanding Prestwick MRO component sector.

Aviation Academy for Scotland will initially work with Ayrshire Growth Deal partners through Air Services Training (AST) who can offer early year second site approval for the delivery of Part 66 courses and examinations. Later years would see the Ayrshire centre achieve its own Part 147 approval.

Aspirationally, AGD agree there might be future benefit in working with AAS, where AAS perhaps act more as a trade body, leading the worldwide promotion of Scottish-based aviation sector training. This would include attending international conferences and air shows on behalf of the various Scottish aviation academies and colleges.

Tay Cities Deal & Moray Growth Deal

The Aeronautical and Space division of the Advanced Technology Centre (ATC) within the Moray Growth Deal has some synergies with the Aviation Academy for Scotland in respect to training aircraft engineers. The ATC is working directly with the RAF and Boeing to create a skilled workforce for the Moray Region. The Aviation Academy for Scotland will work with the ATC through the University of the Highlands and Islands to develop skills and capacity within Moray College UHI. AST, a founding partner in the AAS, will provide second site approval for the delivery of EASA Part 66 courses.

Part A: The Strategic Context

3.2 Organisational Overviews

3.2.1 Perth College UHI

Perth College UHI is a successful and thriving tertiary institution providing a wide range of learning opportunities to local, regional, national and international learners: from access courses to opportunities for study at postgraduate level, encompassing vocational and professional training and skills development opportunities. Perth College UHI delivers courses at the main campus in Perth, at learning centres and in secondary schools across Perth and Kinross. It supports work-based learning across a wide area, as well as contributing to the University's innovative and progressive

use of video conferencing, providing access to expertise and curriculum across the Highlands and Islands and beyond.

Perth College UHI has its main campus in the city of Perth which is located within 50 miles of 90% of Scotland's population, in the fast-growing local authority of Perth and Kinross. The college provides a broad curriculum base with access to study at SCQF levels 2-12 in areas of local, regional and national need. Subjects are grouped into four sector areas (Business, Management, Computing and Leisure; Creative and Cultural Industries; Science, Technology, Engineering and Maths; Health, Applied Life Sciences). The college also delivers a range of Modern Apprenticeship programmes supported by Skills Development Scotland (SDS) and a range of commercial Vocational Qualifications (VQ).

School-college partnership provision is themed to relevant vocational pathways, and includes Foundation Apprenticeships in Early Years, Engineering, and Civil Engineering and Business in 2017-18 with a planned widening of curriculum and growth in learner numbers in 18/19. Graduate Apprenticeship provision in Early Years widens the work-based qualification provision to address national skills demands in this discipline.

3.2.2 Air Service Training (AST)

AST is a world renowned provider of approved licensed engineering training and qualifications, with a main teaching base and HQ within Perth College UHI, and a Training hangar with supporting facilities at Scone Airport, near Perth. AST also has satellite partner organisations in Iceland, Kuwait and Jordan and a significant number of overseas examination centres including Nigeria, Egypt, Doha, Mauritius, Nepal and India.

80% of AST students are non-EU nationals providing significant overseas income to Tayside and this level of continued successful International activity has been recognised by achieving a Queens Award for Enterprise: International Trade in 2015.

AST is wholly owned by Perth College UHI.

3.2.3 Tayside Aviation

Tayside Aviation was established in 1968. This was established at Dundee prior to there being an airport on site.

Over its 51 years in business Tayside Aviation has trained hundreds of Commercial Airline pilots many of whom now fly with all the major airlines and the military. They are the only Flight Training organisation in the UK to deliver a BSc Hons Degree in modular commercial pilot training.

Tayside Aviation has a long established link with the RAF and has held the contract to train 200 RAF cadets each year for over 30 years. This requires high standards of

flight training and the ongoing quality control for this contract is strict and continuous. They were awarded the Central Flying School RAF trophy in 2017 (In recognition of a significant and outstanding contribution to excellence in the delivery of flying training and instructional standards).

In addition Tayside also train sponsored students from “The Air League”, “The Geoffrey de Havilland Flying Foundation” and “The Honorary Company of Air Pilots”. All of these agencies recognise the high standard of flight training and safety delivered by Tayside Aviation.

3.3 Business Strategies

3.3.1 UK Industrial Strategy 2017

The UK Industrial Strategy 2017- Green Paper sets out ten pillars for economic growth and increased productivity. These ten pillars or areas were proposed because the evidence shows that they drive growth. Places with higher rates of investment in research and development, more highly skilled people, better infrastructure, more affordable energy and higher rates of capital investment grow faster and have higher levels of productivity. Policies on trade, procurement and sectors are tools that can be used to drive growth by increasing competition and encouraging innovation and investment. It is therefore clear that Colleges and Universities have a vital role to play in supporting the Government Strategy.

The AAS will **increase the number of PhDs in the STEM subjects** – science, technology, engineering and maths. The co-location of the AAS and the Product InnovationLab, developed as part of the Tay Cities Engineering Partnership, also funded in the Heads of Terms, allow for **real life research projects**, set by industry, to be undertaken by UHI researchers thus developing the skills and knowledge in the student and the product required by the industry whilst also **improving research-teaching linkages** for the University

3.3.2 Industrial Strategy Challenge Fund

The Industrial Strategy Challenge Fund identifies key technological areas for support, these include; smart and clean energy technologies (such as storage and demand response grid technologies), robotics and artificial intelligence (including connected and autonomous vehicles and drones), satellites and space technologies, manufacturing processes and materials of the future. Specifically the Aerospace Technology Institute (ATI) Research & Technology programme focuses on;

- Aircraft of the future: Strengthening the UK’s whole-aircraft design and system integration capability, positioning it for future generations of civil aircraft
- Smart, connected and more electric aircraft: Developing UK advanced systems technologies to capture high-value opportunities in current and future aircraft

- Aerostructures of the future: Ensuring the UK is a global leader in the development of large complex structures, particularly wings
- Propulsion of the future: Advancing a new generation of more efficient propulsion technologies

These are all areas that the University already has significant expertise and researchers. One example of this is a successful test flight in March 2019 of a new ultra endurance air vehicle powered by clean energy, part funded by Innovate UK through the Aerospace Technology Institute. This development will enable a more cost effective technology for the telecommunications sector and other industries. This type of research expertise developed by University of the Highlands and Islands Perth College UHI will be able to support SME's with industry innovative solutions. With a Research Excellence Framework submission for Engineering in 2026 anticipated, **early stage researchers will be developed** with support being provided for current researchers through the facilities provided within the AAS and directly linked to the Product InnovationLab.

3.3.3 Industry 4.0

With an aging workforce and dawning of the fourth industrial revolution (Industry 4.0) never has there been a time when advanced technological skills have been more demanded by the industry.

Organisations such as the World Economic Forum, the International Labour Organisation (ILO), McKinsey and Co and PwC, believe that Industry 4.0 will change the way we work and live, these changes will bear impact on individuals, industry and learning institutions including the development and provision of skills. This fourth revolution is characterised by an exponential rate of change. 'Scotland's workforce needs constantly developing skills, knowledge and capabilities to thrive in this complex, ever-changing environment.' (SDS 2018). The creation of the AAS will ensure that the individuals trained within have not only the technical skills required for an advancing industry but also the meta-skills demanded to meet the challenges of an ever changing industry. The AAS will allow for the three partners to **engage more widely with industry in the provision of real work-based learning experiences** that support the development of these skills in situ.

3.3.4 STEM Education and Training Strategy

The Scottish Government's 2017 STEM Education and Training Strategy for Scotland, links to and builds upon several other Scottish Government strategies and programmes, including Scotland's Labour Market Strategy, Realising Scotland's potential in a Digital World and the Enterprise and Skills Review. It specifically builds upon and supports the implementation of the Developing the Young Workforce and Scotland's youth employment strategy. The AAS will work to ensure the long term outcomes as identified within the strategy are met. It will ensure that all learners

have **relevant and engaging STEM learning**, this will be delivered through the provision within the AAS but also through engagement with nursery, primary and secondary schools and also through community engagement. The AAS will work in partnership with the Tay Cities Engineering Partnership to ensure that there is **equality of access, opportunity and outcomes in STEM learning and STEM experiences for everyone regardless of gender, background, circumstance or geography**. Whilst the campuses are based in Dundee and Perth, partnership working will ensure the provision is across the whole of the Tay Cities region and into Highlands and within Ayrshire. The AAS will work in partnership with industry to ensure that people are well equipped to undertake job roles which require STEM knowledge and skills with the flexibility to move and diversify. The AAS will **ensure Scotland and more specifically Tayside has a STEM workforce, leadership and research base which supports economic growth, innovation, creativity and increased productivity which continues to contribute to scientific and technological innovation**.

3.3.5 Enterprise and Skills Review

In May 2016, the First Minister announced an end-to-end review to ensure that all public agencies are delivering the joined-up support that Scotland's young people, universities, colleges, training providers, businesses and workforce need.

The Review was led by the Cabinet Secretary for Economy, Jobs and Fair Work, and was supported by a Ministerial Review Group, including members of the Council of Economic Advisers. Ambitions of Scottish Government are for Scotland to rank in the first quartile of OECD countries for productivity, equality and wellbeing, and sustainability. The enterprise and skills support system is key to this economic ambition. The respective skills agencies exist to create the conditions for businesses to increase productivity and growth, and to help deliver the skills that Scotland's people and economy need. This Enterprise and Skills Review aims to help to enhance the system of enterprise and skills support so that it is greater than the sum of its parts, making a substantial and valuable contribution to productivity and broader economic performance. In particular, the enhanced system will;

- Have a singular point of focus - the Strategic Board will ensure that each of the Agencies know the shared goals and aspirations of the whole system. Everything which those agencies do must contribute towards those goals. These goals include:
 - Embedding a culture of innovation and aspiration into our economy
 - Focussing on the sectors where Scotland has the potential to lead the world
 - Building a skills infrastructure with an eye to the opportunities of the future

The AAS will work with all agencies to **ensure a cohesive and simplified approach to the industry's training needs**. This will be particularly in the Enterprise and Skills Review priority areas of generating increases in work-based learning

opportunities, creating workplace innovation, supporting the creation of new enterprises and widening opportunities for expanding our global outlook.

3.3.6 Single Outcome Agreement for Perth and Kinross 2013-2023

Scottish Government and the Convention of Scottish Local Authorities (COSLA) expect Community Planning Partnerships, through their Single Outcome Agreements, to mobilise public sector assets, activities and resources, together with those of third and private sectors, to deliver a shared, binding 'plan for place'.

The Perth and Kinross Single Outcome Agreement (SOA), approved in June 2013, is the plan that sets a high level of ambition for people and communities across Perth and Kinross. The commitments set out in the plan are driven by a deep knowledge and understanding of place which is shared by all Community Planning partners and clearly informed by evidence and data. The Perth and Kinross SOA has five outcomes:

- i. Giving every child the best start in life
- ii. Developing educated, responsible and informed citizens
- iii. Promoting a prosperous, inclusive and sustainable economy
- iv. Supporting people to lead independent, healthy lives
- v. Creating a safe and sustainable place for future generations.

The AAS will make a positive contribution to the majority of these outcomes but particularly the following:

- ii. The AAS will ensure there are improved opportunities for learning and development for the current and future workforce therefore developing educated, responsible and informed citizens. Ensuring young people reach their potential and are ready for work and life.
- iii. The AAS will support employment opportunities through working with industry and through the Product InnovationLab develop a thriving expanding economy.

3.3.7 The City Plan for Dundee 2017-2026

The City Plan for Dundee 2017-2026 - Local Outcome Improvement Plan - replaces the Single Outcome Agreement for Dundee. Strategic assessment and consultation with the communities in Dundee has enabled the Partnership to make an honest appraisal of where Dundee is as a city and where the Partnership is in terms of meeting the needs of our communities. It has been critical in identifying the top priorities which the Partnership has agreed to focus on going forward, and which are listed below:

- i. Fair Work and Enterprise
- ii. Children and Families
- iii. Healthcare and Wellbeing
- iv. Community Safety and Justice
- v. Building strong and empowered communities

Under Fair Work and Enterprise, the overarching objective will be to coordinate Dundee's contribution to delivery of the Tay Cities Regional Economic Strategy 2017-2037 and underpinning Tay Cities Deal. By focusing on inclusive growth and tackling the challenges Dundee and the wider region faces around innovation, internationalisation and connectivity, this will be achieved by the following activities:

- i. Raise productivity to above the Scottish average
- ii. Close the jobs gap
- iii. Reduce unemployment
- iv. Focus on sectoral strengths and opportunities

The AAS will contribute to the achievement of these activities by:

- Encouraging more people of working age to move into paid employment through partnership working between all agencies and industry, ensuring the workforce are equipped with the skills for the future
- Upskilling the workforce to take advantage of new employment opportunities
- Upskilling and reskilling the workforce to fill existing and projected vacancies across the public and private sectors

3.4 Other organisational strategies

Perth College UHI is one of the largest partners in the University of the Highlands and Islands (UHI), a unique tertiary institution and growing university. Its strategic aims drive forward the Highlands and Islands Regional Outcome Agreement as well as ensuring full participation in Perth and Kinross Single Outcome Agreement measures and Community Planning priorities. The College works in partnership with relevant local regional stakeholders to ensure the provision of relevant high-quality curriculum and sector engagement within the Regional Skills Assessment (RSA) area of Tayside, but also shares common overall goals with RSA of Highlands and Islands. Areas in common include:

- The need to increase the quantity and quality of local jobs
- To create a culture of employer investment
- To meet the skills needs of employers; including a need for workplace progression routes and pathways
- A need for flexible skills provision

These common goals are reflected in the Highlands and Islands Regional Outcome Agreement (ROA).

The University of the Highlands and Islands partnership is the main provider of post-compulsory education provision in the Highlands and Islands region, and delivers in excess of 113,168 further education fundable credits annually, as contracted through the Regional Outcome Agreement negotiated with the Scottish Funding Council. Regional activity targets comprise core and ESIF funded activity, the latter spanning the Highlands and Islands and Lowlands and Uplands regions (for Perth and Kinross). In addition, the region has developed an extensive apprenticeship offer that provides work-based learning pathways from Foundation Apprenticeships offered in the senior phase through to Graduate Apprenticeships funded through Skills Development Scotland, as well as working directly with employers to deliver bespoke training on a commercial basis.

For the past seven years, the region has routinely exceeded student activity targets and surpasses many sector benchmarks of performance. The region's student success rate for full-time further education provision for 2016-17 is 67.5% against a national benchmark of 65.3%.

The Tayside Plan for Children, Young People & Families priorities include the provision of meaningful engagement with learning, combined with high quality learning experiences for all children and young people to extend their potential and to implement initiatives for post-school training, apprenticeships and further and higher education to improve pathways to employment. With an approach of continuous improvement Education and Children's Services are always seeking to develop and improve the school curriculum in alignment with government expectations.

Part B: The Case for Change

3.5 Investment Objectives

The UK's Aerospace, Defence, Security and Space (ADSS) industries make a significant and valuable contribution to economic prosperity and national security, it is second only to the pharmaceutical industry in measures of contribution to the UK economy. Supporting 900,000 jobs across the country, its sectors offer global growth opportunities and are vital to the UK's future as a high-tech, high-skill, high-wage economy. The Industry 2017 facts and figures guide (ADSS: A GUIDE TO THE UK'S AEROSPACE, DEFENCE, SECURITY & SPACE SECTORS, June 2017) shows the extent to which companies in these sectors serve as the industrial backbone of the UK – delivering the well-paid jobs and high-tech exports needed to secure a prosperous future. In 2016 the contribution to the UK was £72Bn in turnover, an increase of £7Bn from the previous year with £37Bn in exports. The ADSS industry directly employs 363,000 workers including 11,000 apprentices.

The UK's Aerospace sector is the largest in Europe and second only to the USA globally. The aerospace sector directly employs 120,000 people in the UK, delivering high value jobs for a highly skilled workforce, and supports a further 118,000 jobs indirectly. With production rates rising around the world and 2016 setting new records for aircraft deliveries, UK aerospace output has grown by 39 per cent since 2011, with annual turnover now reaching nearly £32bn. The value of the global aerospace market over the next twenty years is estimated at \$5.7Trillion, in reaching this potential three key areas within the aerospace industry have been identified; upgrading of aircraft interiors, delivering more efficient wings and engines and enhancing connectivity. These outputs can only be met through technology, skills and supply chains. The AAS **commits to the delivery of skills and development of technology through training and research.**

The number of aircraft in service will double by 2030. As global economies expand and airlines take delivery of tens of thousands of new commercial jetliners over the next 20 years, the demand for personnel to fly, support and maintain those aircraft will be unprecedented. As new-generation aircraft come to dominate the fleet over the next 20 years, aircraft reliability will improve and maintenance check intervals will lengthen. Although this trend will moderate demand growth, the requirement for maintenance personnel will continue to expand with the size of the global fleet. Emerging markets that currently recruit maintenance technicians from outside the region will have to develop a foundation for training qualified technical personnel from within the local workforce.

The 2018 Boeing Pilot & Technician Outlook, a respected industry forecast of personnel demand, projects that there will be a demand for 790,000 new civil aviation pilots over the next twenty years, this is an increased demand of 173,000 from Boeing's 2016 outlook report. In addition to the demand for pilots there is the demand for 754,000 new maintenance technicians and 890,000 new cabin crew will be needed to fly and maintain the world fleet over the next 20 years. This is an increase of 75,000 and 76,000 respectively from the Boeing 2016 forecast. This forecast is inclusive of the commercial aviation, business aviation, and civil helicopter industries.

This significant demand is derived from a mix of fleet growth, retirements, and attrition. Meeting this extraordinary demand will require proactive planning and collaboration within the global aviation industry. As several hundred thousand pilots and technicians reach retirement age over the next decade, educational outreach and career pathway programs will be essential to inspiring and recruiting the next generation of personnel. As new generation airplanes become more prominent in the global fleet, advances in airplane technology will drive an increased need for technicians skilled in avionics, composites, and digital troubleshooting. The partners within the AAS have developed **pathways into the aviation industry from school, through Further and Higher Education and into the industry.** The development of the facilities within the AAS will provide the opportunity to **diversify into developing the skills demanded by the industry** by the inclusion of composites and avionics facilities with all programmes having a **focus on digital skills.**

NATS - the UK's air traffic control provider formerly known as National Air Traffic Services - is rolling out a new £600m (\$747m) computer system that could result in more flights, fewer delays and a cleaner airspace for all. Managing the 2.2 million flights that cross UK airspace each year is complicated enough, but with that number forecast to rise to three million by 2030 With the increasing number of flights taking off from the UK every year, there is also an increasing demand for Air Traffic Controllers to come in at the base level as the experienced and qualified Air Traffic Controllers are required to move into management positions. With this comes the need to upskill and provision of higher level qualifications. With Tayside Aviation developing plans to introduce the provision of Air Traffic Control licences to the provision offered within the AAS allowing for the development of base level Air Traffic Controllers in addition to Perth College UHI's BSc (Hons) in Air Transport Management Controller providing the opportunity for **through life upskilling** and the opportunity for air traffic managers the opportunity to attain a degree whilst in the workplace.

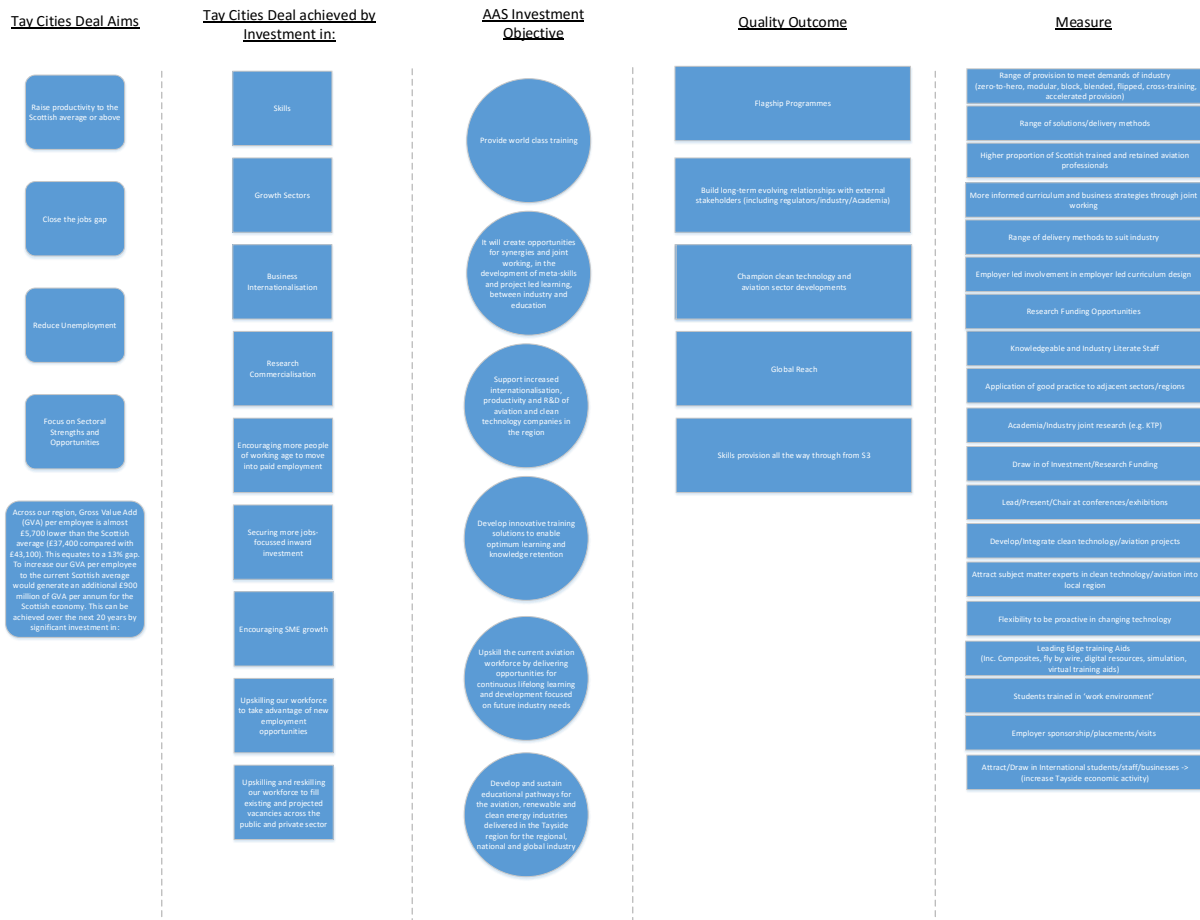
Cabin crew are essential to ensuring the safety and comfort of passengers and can provide a level of service that enables brand differentiation. As airlines continue to refine business models and personalize offerings to specific market segments, additional demand for cabin crew will result from denser seat configurations and multiple cabin configurations. Regulatory requirements and customer preferences will continue to drive demand in business aviation. Over the next 20 years, the largest projected growth in cabin crew demand is in the Asia Pacific region, with a requirement for 321,000 new cabin crew. Europe will require 187,000, North America 174,000, Middle East 97,000, Latin America 53,000, Russia / Central Asia 29,000, and Africa 29,000. Whilst Cabin Crew training is not a current curricula offering of the AAS there are aspirations to develop a range of products to meet the whole needs of the aviation industry.

The aviation industry needs to **adopt innovative training solutions** to enable optimum learning and knowledge retention. Immersive technologies, adaptive learning, schedule flexibility, and new teaching methods will be needed to effectively meet a wide range of learning styles. The growing diversity and mobility of aviation personnel will also require instructors to have cross-cultural, cross-generational, and multilingual skills to engage with tomorrow's workforce. Mobile and distance learning solutions are becoming increasingly popular as a flexible alternative to traditional classroom instruction, and new technologies such as augmented reality are being tested as a way to improve engagement and knowledge retention. Within the University of the Highlands and Islands and ultimately the AAS, programmes from SCQF Level 6 through Level 11 are being developed to include distance learning, blended learning and flipped classroom methodologies. Indeed the BSc (hons) in Air Traffic Management is already developed for distance learning and assessed through workplace activity.

In order to address these issues the AAS will;

- Establish the only internationally recognised facility in Scotland capable of meeting the full needs of Aviation Industry **providing world class training**

- Develop and sustain **educational pathways for the aviation, renewable and clean energy industries** delivered in the Tayside region for the regional, national and global industry. It will achieve this by inspiring young learners still in school to enter STEM, empowering disengaged communities and enabling apprenticeships (from foundation to graduate)
- **Upskill the current aviation workforce** by delivering opportunities for continuous lifelong learning and development focused on future industry needs
- It will **create opportunities for synergies and joint working, in the development of meta-skills and project led learning, between industry and education** through the establishment of an industry led advisory board from project inception through delivery of outputs
- Develop **innovative training solutions** to enable optimum learning and knowledge retention through the implementation of different learning and teaching methodologies and new technologies
- Support **increased internationalisation, productivity and R&D** of aviation and clean technology companies in the region by offering cost-effective product prototyping and testing; low-mass production and specialist incubators; and product development support through the creation of the Product InnovationLab



3.6 Existing arrangements

3.6.1 Perth College UHI

As a tertiary region, this report mainly considers aspects of Further Education (FE) to Scottish Credit Qualifications Framework (SCQF) level 6. The ROA covers both further and higher education, with the FE Regional Board having oversight of overall delivery of the ROA. The college contributes to the overall regional delivery of outcomes, and has target credit volumes.

Perth College UHI delivered 26,161 credits in 2017-18 (22.7 of regional core total), 23,781 core target funded and 1 200 credits of LUPS European funding. The college is growing in footprint and reach with total tertiary student numbers having grown. Staff full time equivalent has grown from 340 in July 2017, to 347.35 in July 2018. There is however a constraint on further growth in this area due to the UHI overall being at its limit of uncontrolled funded places as a result of taking over the Nursing degree places from Stirling University. This will require to be addressed through conversations with the Scottish Funding Council, otherwise provision within other curriculum areas will require to be reduced in order to support this projected growth in Engineering places. However in line with Scottish Funding Council directives there is to be a realignment of Higher Education credits of the STEM subjects therefore growth in these areas can be supported.

Perth College UHI has well established strategic and operational links with all Secondary Schools in the Perth and Kinross area. Through working with the Tay Cities Engineering Partnership and the development of links with all secondary schools in the Tayside Region all partners will seek to grow numbers through awareness raising. As well as an increase in full time numbers, Perth College UHI would seek to increase the provision of school-college provision including in the development of a bespoke Foundation Apprenticeship in Aircraft Engineering.

In support of the above vision, the current situation in respect to the provision of training. Perth College UHI, University of the Highlands and Islands offers a number of both Higher Education and Further Education courses in both Aeronautical studies and Engineering as follows;

SCQF Level 11

- MBA Aviation

SCQF Level 7-10

- BEng(Hons) Aircraft Engineering (Royal Aeronautical Society accredited)
- BSc(Hons) Aircraft Maintenance Engineering and Management
- BSc(Hons) Air Traffic Management
- BEng(Hons) Mechanical Engineering (The Institute of Engineering and Technology accreditation pending)
- BEng(Hons) Electrical and Electronic Engineering (The Institute of Engineering and Technology accreditation pending)

- BEng(Hons) Electrical and Energy Engineering (The Institute of Engineering and Technology accredited)
- BEng(Hons) Mechanical Engineering (The Institute of Engineering and Technology accredited)

SCQF Level 7-8

- HNC/D Aircraft Engineering
- HNC/D Engineering Systems

SCQF Level 4-6

- Engineering Systems
- Electrical Engineering
- Performing Engineering Operations Level 1 and 2
- Foundation Apprenticeship Engineering
- Modern Apprenticeship Engineering
- Modern Apprenticeship in on Aircraft Maintenance

Under Development

- MSc Aircraft Engineering
- MSc Electrical and Electronic Engineering
- MSc Mechanical Engineering
- MSc (General) Engineering

Since the Strategic Outline case was submitted in 2017 the BSc(hons) Aircraft Maintenance Engineering and Management degree has been approved and validated. This is the flagship programme for the Aviation Academy for Scotland Perth Campus, delivering a unique programme in Scotland offering students the opportunity to both achieve an honours degree and meet the skills and knowledge requirements detailed in the European Aviation Safety Agency (EASA) category B1 and B2 aircraft maintenance engineering licence syllabus (Part-66). This programme is unique in U.K as it also develops management skills, which are a set of skills that is lacking within the aviation industry as licensed engineers are taken from the shop floor into management positions with no training as to how to fulfil the role. This programme therefore allows for through life/ career development.

Barriers to growth within the aviation subjects at Perth College UHI are the same as those that constrain AST, in that there is an identified lack of facility capacity at Perth and an increasingly pressing issue regarding the quality and cohesiveness of the currently available facilities.

3.6.2 Air Service Training (AST)

AST is approved under the European Aviation Safety Agency (EASA) Part 147 regulations to offer training and examinations to meet the requirements of the EASA Part 66 Aircraft Maintenance Licence in categories:

- A1 certifying mechanic aeroplanes turbine engine
- A2 certifying mechanic aeroplanes piston engine
- A3 certifying mechanic helicopters turbine engine
- B1.1 certifying technician aeroplanes turbine engine
- B1.2 certifying technician aeroplanes piston engine
- B1.3 certifying technician helicopters turbine engine
- B2 certifying technician avionics.

These regulations are brought into force under ED 1321/2014.

In January 2018 AST achieved a Foreign Part 147 approval direct from EASA which means that whatever the nature of the Brexit agreement, AST students will be able to achieve both UKCAA and EASA approved qualifications. Achieving this approval was essential, both to allay fears from current students but also to ensure that AST remained a credible worldwide training provider. The AAS Perth campus will be brought under the AST Part 147 approvals, as indeed will be the proposed aviation academies at Moray and in Ayrshire.

Additionally, AST offers bespoke courses to meet specific industry or customer needs with programmes recently delivered to the Royal Air Force of Oman, airlines in Dubai and Mauritius and in support of the Nepalese CAA.

AST facilities include a fully equipped training hangar, housing two turbine helicopters, one turbine and three piston engine aeroplanes, nine types of gas turbine engine, six types of piston engine, as well as examples of components from every aircraft system. AST currently provides workshops dedicated to basic hand skills, avionics and electrics. A notable deficiency is the absence of a composites repair workshop, which is required to meet modern basic training requirements and to reflect increased usage of composite materials on civil and military aircraft.

Barriers to AST growth have however been identified including a lack of facility capacity at Perth and an increasingly pressing issue regarding the quality and cohesiveness of the currently available facilities. In simple terms, AST is delivering world renowned training from facilities that are not comparable with those found at competitor locations, either in the UK or abroad. This is evident when offering the most basic aviation skills training but is even more apparent when AST is delivering high value programmes at Perth to clients such as the Royal Air Force of Oman. In time this will erode the ability of AST to attract these customers, even if the actual quality of teaching is still maintained. It also impacts the ability to attract suitably skilled and experienced staff to support the growth aspirations.

The AAS investment at Perth will address the above issues by providing a modern integrated facility focused entirely on aviation training. This will allow PC and AST to create a teaching and learning culture that is more appropriate for its clients, encouraging and establishing the high standard of behaviour and performance rightly expected from those who wish to work in the safety conscious aviation industry.

3.6.3 Tayside Aviation

Tayside Aviation has 25 staff and carries out their own aircraft engineering. This engineering facility maintains Tayside's own 18 aircraft and maintains some 30 privately owned aircraft.

The facilities at Dundee are owned by Tayside and all 18 aircraft are owned outright by Tayside Aviation. The Aircraft Fleet includes 10 x PA28 aircraft, 1 x Piper Arrow, 2 x Piper Seneca twin, 1 x Tecnam and 4 recently acquired Aquila aircraft. Tayside Aviation is the only flight school in the UK entrusted by the RAF to deliver the Flying Scholarship program and in 2013 Tayside trained the Army Air Corps on behalf of the RAF.

Tayside Aviation is approved under the European Aviation Safety Agency (EASA) regulations to offer training and examinations to meet the requirements of the EASA Pilot Licence in the following categories:

- Private Pilot Licence (PPL)
- Airline Transport Pilot Licence (ATPL)
- Commercial Pilot Licence (CPL)
- Multi Engine Rating (MEP)
- Instrument Rating (IR)
- Multi Co-operation Course (MCC)

Tayside Aviation, working with Middlesex University also offer a unique programme that has been designed specifically to incorporate all of the Civil Aviation Authority (CAA) regulated pilot training, leading to the award of an Airline Transport Pilot Licence (ATPL) and a BSc (Hons) Degree in Professional Aviation Pilot Practice.

Current capacity is restricted to 24 pilot training places per year due to a lack of classroom space required for Intermediate training. To meet the requirements of companies such as Virgin Atlantic, Flybe and Loganair there is a requirement to double capacity over the three years. This would assist in reducing the attrition rate for regional bases by over 30%. Tayside Aviation recruit almost exclusively for Scottish bases which are traditionally hard to recruit for, especially for those with the majority of bases in England.

3.7 Business needs

This section identifies the 'business gaps' in relation to the existing arrangements. In other words, the difference between 'where we want to be' as defined by the investment objectives and 'where we are now', in terms of the existing arrangements. This highlights the problems, difficulties and inadequacies associated with the status quo. The tables in **Appendix 3.1** shows the existing arrangements in respect of each of the investment objectives and then describes the problems with these existing arrangements in order to identify the 'business need'. It then further describes what is needed to overcome these problems.

3.8 Main benefits criteria

On the basis that the proposed service model is put in place, **Appendix 3.2** identifies the key benefits likely to be attributable to achievement of each investment objective.

3.9 Main risks

- Financial
 - **Failure of Perth College UHI to create & secure sufficient foundation/modern/graduate apprentice places in engineering from SDS.**

Perth College UHI have been involved in the delivery of Engineering Foundation Apprenticeships (FA) since 2015. Appropriate numbers of places for the Engineering FA have always been allocated on the basis of the bid submitted by the Lead for Engineering based in Perth. There are plans to offer an Engineering Foundation Apprenticeship specialising in Aircraft Engineering. It is expected that the introduction of this course will increase the uptake in engineering and with the national planned growth in FA numbers it is anticipated that adequate numbers of places will be allocated in future years

Modern Apprenticeship (MA) numbers in Engineering have always been small in Perth College UHI primarily as a result of a relatively small engineering industry base in the immediate area. With the development of more innovative training packages it is anticipated that this area will be further developed with specialisms in aircraft engineering not previously offered. The UHI hub work closely with SDS in the securing of places in Engineering, with high outcomes in this framework the number of places bid for has so far been awarded. It is anticipated that UHI Hub and SDS will continue to work closely together demonstrating industry demand for the MA frameworks.

There are currently no Graduate Apprenticeships in Engineering within the UHI however the UHI are keen to develop this area of the curriculum and will work with SDS to develop

- **Reduction in core funding for Further and Higher Education**

HE numbers are now capped within the University however under Scottish Funding Council guidelines there is a requirement to realign credits into STEM areas therefore growth in these areas will be supported

- **Failure to increase international uptake of courses**

All partners are involved in international partnerships with both AST and Perth College UHI having active agents working internationally on student recruitment. With the formation of the AAS all programmes operating within the AAS delivered by any partner will benefit from collective marketing, although responsibility for sales and contracting will lie with each partner. The University have an International Strategy for the development of both international recruitment for delivery within the UK and also for delivery on Transnational Education programmes. Interest in the courses offered by the University, College, AST and Tayside Aviation is growing

- **Loss of continued government funding to the support delivery of the approved Middlesex University Pilot training degree**

Under special powers available to Scottish Ministers, the BSc(hons) Professional Pilot Practice, delivered between Tayside Aviation and Middlesex University has been designated under Regulation 4(9) of the Education (Student Loans for Tuition Fees) (Scotland) Regulations 2006 and Regulation 4(9) of the Education (Student Loans) (Scotland) Regulations 2007 in order that students on the course who meet the other eligibility criteria in those regulations are eligible for tuition fee and living cost loan support. This designation took effect from 21 July 2016. In the event that Scottish Ministers removed this designation the University of the Highlands and Islands will work with Tayside Aviation in the continued provision of a degree in pilot studies

- **Failure of any partner or all to deliver retrospective components of the project to fruition**

Each partner will have responsibility for the reporting of progress against all outputs. The project board will have responsibility for the monitoring of the outputs

- Planning/ Development

- **Inability to secure planning permission for identified site**

Early consultation with the planning authority will commence. Once the site is identified, in consultation with the planning authority, there will be a public meeting to explore the benefits and any concerns. Early identification of any aspects of the proposal that support the local development plan, e.g. cycle routes, public transport links.

- Reputational Risk

- **Failure of any partner or all to deliver retrospective components of the project to fruition**

Reputational risk associated with the project has been captured with **Appendix 7.5.4** within the Project Risk Register. Actions will be put in place to ensure that all risks associated with failure of all or part of the required components of the project are mitigated or transferred to a manageable level of risk

- Build Risk

- **Build costs over run or time over runs**

The build costs will be controlled by ensuring that there is a comprehensive and robust schedule of requirements and specification prior to tendering and engaging a competent building contractor. The expected outturn of costs will be regularly reviewed on a monthly basis by an independent professional cost consultant during the project.

There will be a Change Control Procedure in operation that requires Project Steering Group authority to approve any proposed and fully costed changes or variations of the project from its initial outset format. Any proposed changes to the project after initiation shall clearly show the effect on cost and programme and have prior confirmation by the contractor. There shall be a series of monthly meetings to review project progress against the planned

- Demand Risk

- **Any serious lack of interest from the aviation sector**

There is a long term predicted shortfall in the supply of both pilots and licensed engineers due to a worsening age profile in the western developed nations, coupled with increased demand for air travel in all world regions. AST and TA have a worldwide reputation for quality training in those sectors. All partners currently have a successful track record in recruiting students and the new AAS should only assist in continuing that story.

- **Failure to increase international uptake of courses**

All partners are involved in international partnerships with both AST and Perth College UHI having active agents working internationally on student recruitment, with the formation of the AAS all programmes operating within the AAS delivered by any partner will be marketed collectively. The University have an International Strategy for the development of both international recruitment for delivery within the UK and also for delivery on Transnational Education programmes. Interest in the courses offered by the University, College, AST and Tayside Aviation is growing.

- **Post- Brexit immigration policies adversely impact access to student visas for non-UK nationals**

Depending on the separation and settle agreements, there is a possibility that it might be harder for a non-UK/EU or a non UK/non-EU student to access a visa, or that the costs and timescales for achieving such a visa are unattractive in comparison to perhaps attending a course on mainland Europe or elsewhere.

3.10 Constraints

Approvals

- Both AST and TA operate businesses approved by UKCAA and EASA to a set of governance regulations which are typically quite rigorously applied. Care will need to be taken that facilities are designed and equipped in such a manner that current approvals are not jeopardised and to ensure those approvals transfer seamlessly to embrace the new facilities and capabilities

Environmental

- Perth AAS will be located on the existing Perth College UHI campus, which is proximate to a primary school and residential properties and adjacent to a major road, the A85. Care will need to be taken in managing local resident

opinion and the planning authority to ensure a satisfactory decision in a timely manner

- Dundee AAS is more remote from residential areas and few issues if any are envisaged in achieving planning consent. The proposed building and location is, however, constrained by UKCAA regulations relating to airfields and specifically the height and distance that structures must be from both the actual runway and the approach and departure flightpaths for aircraft

Funding & Budgetary

- Perth College UHI is an incorporated college in Scotland and as such, is classed as a public sector body and subject to government accounting requirements. This differs in some important respects to the accounting requirements of TA, which is a privately owned SME. For information, AST is a limited company, wholly owned by Perth College UHI and as such is also bound by the same requirements as Perth College UHI

3.11 Dependencies

There are only two identified interdependencies:

- TA are based at Dundee Airport, which is owned by Dundee City Council and on a long lease to Highlands & Islands Airports Limited (HIAL). TA are a tenant of HIAL and have strong DC and HIAL support for their intended growth strategy. Joint meetings are being held between DC, HIAL and TA to ensure that all development aspirations can be achieved
- There are a significant number of stakeholders and AAS success requires that the right facilities are constructed within budget and schedule, whilst ensuring that the right courses are developed and gain approval in time to be delivered to the right students

Stakeholders

The key stakeholders are:

- Dundee City Council (DCC)
- Perth & Kinross Council (PKC)
- Highlands and Islands Airports Limited (HIAL)
- Scottish Enterprise (SE)
- Skills Development Scotland (SDS)
- United Kingdom Civil Aviation Authority (UKCAA)
- European Union Aviation Safety Agency (EASA)
- Aviation and Engineering Industry partners
- University of Highlands and Islands (UHI)
- Perth College UHI (PC UHI)

- Air Services Training Limited (AST)
- Tayside Aviation (TA)
- Beneficiaries of Aviation Academy for Scotland
- Secondary Schools in the Tayside Region

4. The Economic Case

4.1 Introduction

This chapter sets out the economic case for the project, taking account of updated project design, costs and forecasts.

At present there have been a series of qualitative and quantitative impacts identified from the project however these must be taken forward to determine the full and accurate account of both.

Market Failure

The concept of market failure has been key to the development of UK vocational education and training (VET) policy at national level over the past two decades. Market failures have led UK industry, in this case the aviation industry, to under-invest in skills development which has been at detriment to economic prospects. This under-investment by industry has resulted in a situation whereby the demand for engineers, pilots and air traffic controllers outstrips the number available.

Employers lack reliable information on the range of learning and training opportunities available to them and also the benefits that are accrued through investment in specific types and levels of training.

Two forms of outcome are generated by market failure in skills development. The first is where training that is generally perceived to be of immediate need by employers or individuals does not take place. The second is where the sum total of training undertaken falls short of the long-term needs of the economy or society. In the second case, immediate skill needs may be being met, but the total investment in skills is still sub-optimal as it will be insufficient to support future innovation or the development of higher value added product market strategies. In the case of the aviation industry both the first and second case exist with both an immediate demand that is not being met and a long term forecasted demand whereby the total investment in skills falls short of what is required. In addition to this employers lack reliable information on the range of learning and training opportunities available to them and also the benefits that are accrued through investment in specific types and levels of training.

Changes in UK military training, together with increased “contractorisation”, in which increasing amounts of aircraft maintenance and overhaul is conducted by industry, rather than the RAF or Army Air Corps is also impacting supply into the civilian markets.

Investment in this project significantly increases the number of training places available, provides industry specific training facilities and expands the provision and

scope of training delivery therefore reducing the skills gap and also providing the forum from which appropriate advice can be provided to industry.

4.2 Critical success factors

In addition to the Investment Objectives identified in the strategic case, the Aviation Academy for Scotland (AAS) project team identified a number of factors, which while not direct objectives of the investment, will be critical for the success for the project, and are relevant in judging the relative desirability of the options.

Key CSF	Broad Description
Strategic fit and business objectives	The project fits with the strategic priorities of all partners. The project fits with both Scottish and UK Government strategic objectives, specifically inclusive growth but also internationalisation, investment and innovation.
Potential value for money	The project enhances service delivery, improves user experience and achieves the project investment objectives whilst maximising benefits and minimising costs for Governments and wider society.
Achievability	There are contractors available to provide the services required for the construction phases of both developments The key partners; AST, Perth College UHI and Tayside Aviation have the ability to adapt to the service changes and deliver an enhanced service to the aviation industry.
Timescale for implementation	The project is achievable within the identified timescales
Affordability	Available capital funding, £8.17m. will be sufficient to provide the facilities required to deliver the proposed project

4.3 The long listed options

The long list of options were developed within the original Strategic Outline Case and were revisited as part of the development of this Outline Business Case. In addition to the original options several other options were considered. Each of the longlisted options were appraised by the project team at a workshop conducted in April. Each option was then considered against the opportunity of each to meet the investment

objectives of the project in order to establish a preferred way forward. The results of the assessment were as follows:

- Do nothing included as a baseline option
- Option E was discounted as it did not provide the opportunity for development of any of the investment objectives owing to the lack of existing capacity and displacement of other provision to create limited capacity
- Option F was discounted as it did not provide the opportunity for development of any of the investment objectives within the Tayside Region
- Option H was discounted as there is no appetite from industry to invest in the creation of such facilities as a fully private funded project

The long listed options table are outlined within **Appendix 4.1**.

4.4 Short-listed options

The analysis within the SOC and confirmed above concluded that of eight identified options, five should be shortlisted and taken forward for more detailed analysis.

These are summarised below:

Option Ref	Description
A	Do nothing – Status quo at both Perth and Dundee
B	Creation of one new facility at Dundee (<i>so minimal / no investment at Perth</i>)
C	Creation of one new facility at Perth (<i>so minimal / no investment at Dundee</i>)
D	Dual Site Aviation Academy for Scotland
G	Create Single Site Location in Tayside

Summary Descriptions				
	Do nothing 'Option A'	Less ambitious 'Option B or C'	Reference Project 'Option D' SOC Preferred Option	More Ambitious 'Option G'
Scope	Continue current courses – minimal growth	Partly meet growth targets (student numbers)	Fully meet growth targets (student numbers)	Fully meet growth targets (student numbers)
Service Solution	Existing facilities – maintenance only or minimal upgrade	New facility at one location / no investment at second location	Two purpose built facilities at two locations	A large new facility at one location / reduced activity at second

				location / Single Site Academy
Service Delivery	Minimal growth through more efficient use of resources	Growth only at one location (eg Pilots at Dundee OR engineers / ATC at Perth	Growth occurs at existing centres of delivery so will happen sooner and with less disruption to staff, students and marketplace	Growth will occur but delayed by requirement for at least one party to move staff and existing capabilities to different city.
Funding	Revenue	Public capital & revenue	Public capital & revenue	Public capital & revenue

The 5 Short Listed Options have varying effects, both positive or negative compared to the Do Nothing case, these are highlighted within **Appendix 4.2**.

4.5 Economic appraisal

Project Inputs

The project will be led and delivered through a partnership that includes Perth College UHI, Air Service Training and Tayside Aviation.

The “ask” of the Tay Cities Deal is £8.17 million over a four year period, broken down as:

- Creation of a new build facility on Perth College UHI campus, housing both AST and PCUHI Engineering and Aviation departments. (£6.03m)
- £2.14m for creating a new facility for delivering pilot training in Dundee

In addition to the ‘ask’ of the Tay Cities Deal by the AAS project there is also an additional ask within a further project that delivers additional inputs

- £0.4m for the development of InnovationLabs as part of the wider Tay Cities Engineering Partnership Tay Cities Deal ‘ask’
 - £0.17m Capital will be contributed from this overall pot for the creation of the Product InnovationLab within the AAS
 - £0.17m revenue funding will be contributed

Additional project inputs other than funding are as follows:

- Staff expertise at all three partners (AST, PCUHI,TA)
- Land as owned by Perth College UHI
- Land as owned by Dundee City Council within Dundee Airport, operated by Highlands and Islands Airports Ltd (HIAL)
- Regulatory approval (CAA) and EASA for both pilot and engineer training
- Business start-up advice as provided by Perth and Kinross Council via the Product InnovationLab

Project Activities

The key project components are considered as:

Aviation Academy for Scotland

The key components of this are seen to be:

- The creation of 'one stop shop' service to the aviation industry
- Delivery of learning and qualification routes into the aviation sector from school
- Creation of a total 540 new training places (as outlined in original SOC)

Aviation Academy for Scotland (Perth)

The key components of this are seen to be:

- Construction of new build facility
- This will significantly increase the training capacity of AST and Perth College UHI - expected to provide an additional 320 engineering and air traffic control training places
- Increase the research capability and opportunities in aviation or clean technology- £500k in refable papers
- Provision and draw of research conferences- £500k in additional generated income through hosting of conferences related to the aviation industry
- Increase the linkages with all secondary schools in Tayside Region

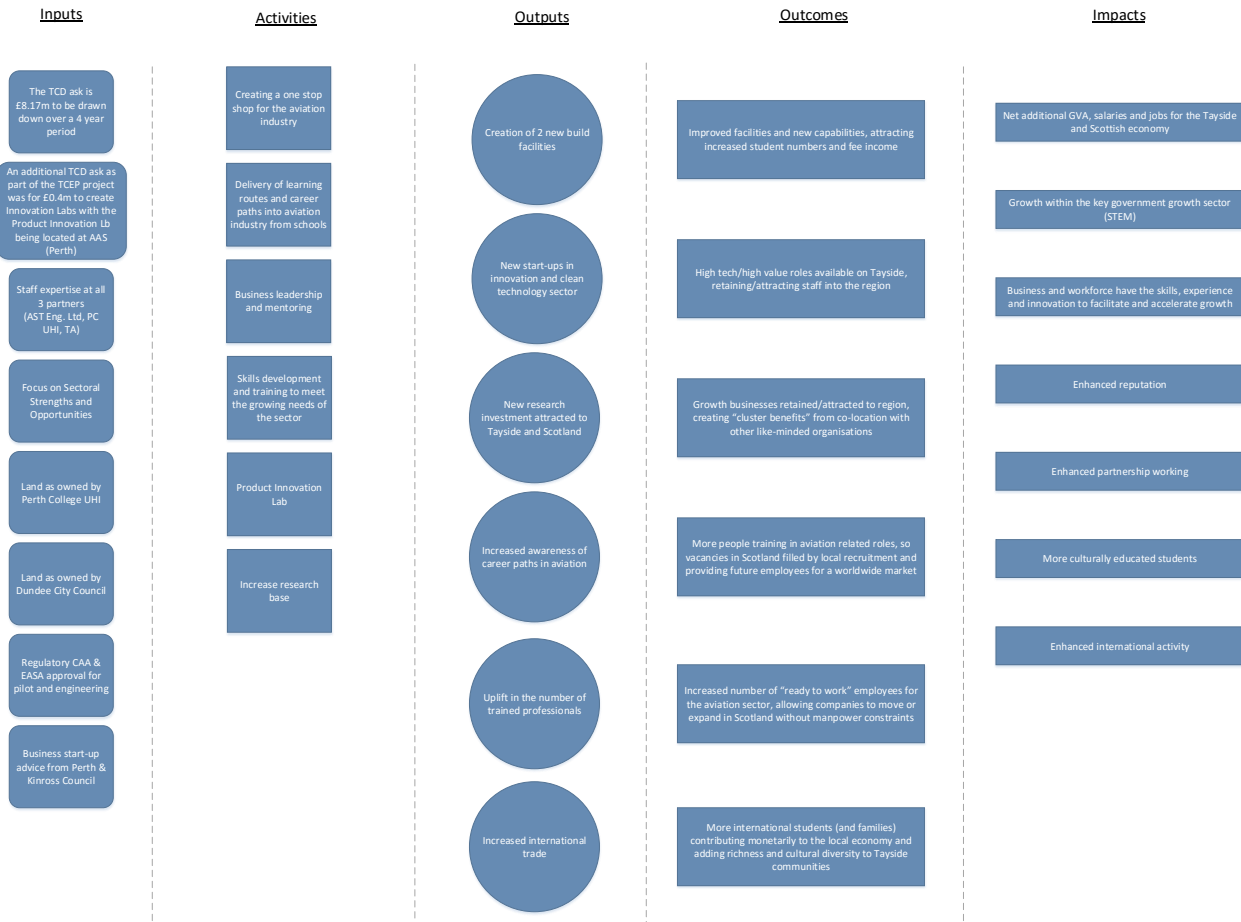
Aviation Academy for Scotland (Dundee)

The key components of this are seen to be:

- Construction of new pilot training facility. This will significantly increase the training capacity of Tayside Aviation- expected to provide an additional 220 pilot and air traffic control training places
- Increase the linkages with all secondary schools in Tayside Region

Product InnovationLab (PIL) from TCEP funded project

- The space will be targeted at both the aviation sector and other engineering sectors where there are areas of synergy and potential for collaboration, including Clean technology innovation in energy and electric / more electric aircraft
- The product InnovationLab will be flexible and built in a modular way to allow the project to adapt to emerging opportunities within a fast paced and ever changing landscape which is driven by innovations in new technology.



Quantitative Impacts

Construction Impact

The full amount of the TCD ask is as capital spend therefore regardless of who is paying for the construction work this is valid final demand. Also this is a relatively small economic shock and we can probably assume there is spare capacity within the construction industry to meet this demand; so the application of a static Input-Output final demand multiplier is valid.

This is a standard building company that sits within SIC(2007) code 41.20 “Construction of buildings” and maps to Input-Output category 41-43 “Construction”.

The spending is to take place over 4 years and will total £8.17m in the prices for the year of the spend. Whilst the spend is not equal across the four years, for the purposes of this first estimate spend will be assumed to be equal across all years. The true values will be determined throughout the OBC and FBC process

We know that the company receiving the money is based in Scotland and that the construction work will take place in Scotland so there is no need to adjust for final demand imports

The latest available multiplier relates to 2015. The spending will take place over 3 years 2019 to 2024. Since it is equal amounts in each year and since the deflation difference between years is small the calculation will be carried out for just one year, as the figures are only available up to 2019, this will be the calculation year.

HMT GDP Deflator index for 2015 = 94.084

HMT GDP Deflator index for 2019 = 101.98

$94.084/101.98 = 0.9225 * £8.17m = £7.537m$ in 2015 prices

For output, income and GVA effects the 2019 figure of £8.17m has been used, for employment the deflated 2012 price of £7.537m has been used

Construction type 1 output multiplier: 1.5, type 2: 1.8

Multiplied by £8.17m = £12.255m and £14.706m

Construction type 1 income effect: 0.4, type 2: 0.5

Multiplied by £8.17m = £3.268m and £4.085m

Construction type 1 employment effect: 12.3, type 2: 14.4

Multiplied by £7.537m = 92.7 FTE jobs and 108.53 FTE jobs

Construction type 1 GVA effect: 0.70, type 2: 0.8

Multiplied by £8.17m = £5.719m and £6.536m

Noting that type 1 multipliers sum together direct and indirect effects while type 2 multipliers also include induced effects:

Direct Output effect = £8.17m.

Indirect Output effect = £12.255 - £8.17 = £4.085m

Induced Output effect = £14.706 - £12.255 = £2.451m

The same calculation can be done to separate direct, indirect and induced for income, employment and GVA.

As these are only estimates a true figure will be calculated at a later stage in the development.

Increased Earnings

The development of pupils' career management skills to assist them to successfully navigate the transition from school and beyond is a policy priority at both the national and regional level through the Curriculum for Excellence Framework, Developing Scotland's Young Workforce and Career Education Standards. The project aims to raise awareness and stimulate interest among young people on the range of career opportunities in the aviation industry.

One of the key benefits of the project is the range of higher value employment opportunities that will be created - both directly and within the supply chain.

The average gross annual salary of a pilot and a licensed aircraft engineer is £55,000. This compares with the average gross annual salary across the Scottish economy of £22,918 and represents an uplift of £32,082 per annum.

The average gross annual salary of an air traffic controller is between 52,878 to £58,933, plus shift pay of around £6,500. On average this equates to £62,405. In comparison to the gross annual salary across the Scottish economy this equates to an uplift of £39,487. Senior Air Traffic Controllers can earn up to £100,000 in the larger airport hubs.

The average gross annual salary of an aircraft mechanic is £35,000. When compared with the average gross annual salary in the Scottish economy represents an uplift of £12,082 per annum.

If we assume an average 'working life' is 40 years this equates to an additional £1,579,480 in wages/earnings over an average 'working life' for an air traffic controller, £1,283,280 both pilot and licenced engineer and respect to an aircraft mechanic this equates to £483,280.

Based on the number of anticipated entries into the industry this equates to

- Licenced engineers; total salary over 40 years £23,100,000 and uplift of **£13,474,440** against the average gross annual salary across the Scottish economy
- Pilots; total salary over 40 years £98,560,000 an uplift of **£57,490,944** against the average gross annual salary across the Scottish economy
- Mechanics; total salary over 40 years £4,900,000 an uplift of **£1,691,480** against the average gross annual salary across the Scottish economy
- Air Traffic Controllers; total salary over 40 years £272,585,040 an uplift of **£172,479,216** against the average gross annual salary across the Scottish economy

The total estimated uplift in earnings from young people that enter into the aviation sector is estimated at **£245,136,080**

Assumptions to Inform the Assessment of Impacts Generated Through Awareness Raising

The impacts of awareness raising is based on the following assumptions:

- Assume international students return to their home country therefore only accounting for home students.
- Only students completing courses in either Tayside Aviation or AST are included in these figures
- The number of young people engaged in training (15 licenced engineer, 5 mechanic, 64 pilot, 156ATC)
- The conversion rate for those moving into the industry- 70% (based on an average figure of both organisations from destination data gathered from partners)
- The earnings uplift impact between £12,082-£32,082
- The total uplift in salaries = above x 40 years

An additional anticipated benefit is that if more AAS students have Scottish home bases, then hopefully that will reflect in the places of employment they subsequently select. This could have a significant upside to Scottish economic activity. Scottish Enterprise, South Ayrshire Council and Prestwick Airport financial and benefit-in-kind support to establishing Chevron Aircraft Maintenance in the Polar Hangar at Prestwick Airport was based on the assumption that 80 FTE roles would be created in the new venture. Whilst this number was mostly achieved it was clear that the lack of supply in the Scottish labour market meant that many of the positions were taken by non-Scottish based contractors, contributing little more than B&B / AirBnB type revenues to Scotland as their domestic bases were south of the border.

Further Education College Student Impact on production

An analysis conducted by the Fraser of Allander Institute (FAI) at the University of Strathclyde determined that each college graduate added a boost to productivity for the Scottish economy by £55,000. For the purposes of calculating the value of the boost to productivity created by this project, the total number of students enrolled by all partners in the AAS was used.

The boost to production was therefore calculated to be **£13.11375m**.

Assumptions to Inform the Assessment of Impacts Generated the FE College student on production

The impacts of awareness raising is based on the following assumptions:

- Only counts home students as enrolled by all partners (TA, AST and PC)
- The number of additional young people engaged in training 540 of which 367 were home students
- Assumes only additional students as part of the outputs associated to the project
- Assumes a pass rate of 65%

International Student Impact

A January 2018 London Economics report calculated the 2015-16 net economic benefit to the UK of each EU student to the UK was £68,000 and for each non-EU student the figure was £95,000 including tuition fees, living costs and other expenditure over the course of their study, the duration of study was taken to be 3 years as the normal for English 3 year honours degrees, the average in Scotland being 4 years for honours. As a result of this difference in study years it could be assumed that an international student undertaking a 4 year honours degree would contribute circa £126,000

It is anticipated that the number of international (non EU) students will increase with the creation of the AAS.

Of the 540 places it is expected that at least 258 of these places will be international students. On this basis this is a net economic benefit to the Tayside region of between £24.51m and £32,508,000.

Estimates of economic multipliers associated with international students

A recent study by London Economics made use of the most recent economic multipliers associated with the expenditures of UK HEIs, their students, and their students' visitors. Based on their input-output models, Oxford Economics estimate total (Type II) multipliers, capturing the combined direct, indirect and induced effects associated with the expenditures of universities, students and overseas visitors to students. Their multipliers – in terms of both economic output and full-time equivalent employees (FTE) - are presented in the table below.

Economic multipliers for UK impact applied to UK universities' and students' Expenditure

Type of expenditure	Multipliers	
	Economic output (£ per £)	Employment (# of FTE jobs per £m of output)

University expenditure (applied to tuition fee income)	2.5	21.1
Student expenditure (applied to non-fee income)	2.1	15.2
Overseas visitor expenditure (applied to visitor income)	1.9	15.4

London Economics' analysis of Oxford Economics (2017) Through further analysis during the FBC, the full economic impact for international students related to this project will be determined.

4.6 Qualitative benefits appraisal

In addition to the quantitative impacts as presented above it is also important to consider the qualitative impacts of a development such as the AAS. Several of these benefits are explored below.

Partnership Working

The project brings together three key partners, including, Perth College UHI, Air Service Training and Tayside Aviation in addition to the industry which they serve.

Collectively, each of the organisations brings a strong track record of partnership working, for example Perth College UHI has strong partnerships with institutions in China for both delivery of transnational education programmes and joint research. Air Service Training operate across the globe with strong partnerships in Jordan, Kuwait, Nepal, India and Egypt. AST also work closely with the UK Civil Aviation Authority (UKCAA) including sitting on the A31 Working Group. This group consists of industry representatives (airlines, MRO, engineer training establishments etc) and is chaired by the regulator (UKCAA) with the primary deliverables being to ensure that the regulatory environment is fit for purpose, providing a sound framework within which aircraft can be safely maintained and in which the engineers working on those aircraft are appropriately trained and examined. AST is an active participant, including significant recent work on future apprenticeship structures and course content. Tayside Aviation has strong links in a number of agencies in Hong Kong which go back to 1990 with students coming over every year to train. They also have good contacts within China which will be developed on completion of the building at Dundee.

The project will build on and strengthen the partnerships and linkages between key players within the region in other aerospace developments including in Ayrshire and Moray whilst also further afield.

International Trade

In 2016, Air Service Training were awarded the Queens Award in the category for International Trade, with the award recognising outstanding performance in growing overseas earnings, sustained commercial success and ethical operations in its activities. With emerging international partnerships for all of the individual partners, and the ability to sell the Aviation Academy for Scotland across the Globe it is envisaged that this will generate a growth in International Trade including consultancy, training and labour market generation.

Educational, Social and Cultural impact of International students

There is general consensus amongst stakeholders in Scotland that exposure to multicultural and multinational environment in educational establishments brings many benefits to Scottish students. These benefits include an enriched learning experience and the development of an international outlook amongst the wider student body. This is considered to be of key importance in ensuring the connectivity of Scotland's economy and society to the global exchange of people, ideas and trade. 79% of employers in the UK said that they valued graduate awareness of the wider world and that this awareness aided in their selection and recruitment processes. A further 85% of employers in the UK also stated that it was important for employees to be able to work with clients from a wide range of cultures and countries.

Skills Development and Training

- improvements and upgrades to the teaching and training facilities at all three partners
- engagement, awareness raising, and stimulating interest among young people of the range of career opportunities in the aviation industry; and
- Upskill the young local workforce who would benefit from the greater job opportunities resulting from this investment. Diversify the skills of undergraduates and graduates to increase their effectiveness and productivity
- Upskill the current aviation sector workforce allowing companies to diversify their business

Business Support

- leadership development, mentorship and coaching, and business advisory support to encourage entrepreneurship and company creation – to complement Scottish Enterprise sectoral and Account Management support that companies can access

Optimism Bias

The total project fund is £8.17m, which is entirely capital this is however split over two separate build projects. The capital funds will be used to complete construction works. The construction will be in the creation of standard buildings, therefore the optimism bias is as follows:

Spending type and location	Works Duration		Capital Expenditure	
	Lower	Upper	Lower(incl VAT)	Upper(incl VAT)
Standard Build (Perth)	118.17 weeks	121.68 weeks	£5.05m	£6.03
Standard Build (Dundee)	82.82weeks	85.28 weeks	£1.79m	£2.14m

Examples of risk mitigation to be detailed:

- Risk of Build costs over run or time over runs. Mitigation :
 - The build costs will be controlled by ensuring that there is a comprehensive and robust schedule of requirements and specification prior to tendering and engaging a competent building contractor. The expected outturn of costs will be regularly reviewed on a monthly basis by an independent professional cost consultant during the project
 - There will be a Change Control Procedure in operation that requires Project Steering Group authority to approve any proposed and fully costed changes or variations of the project from its initial outset format. Any proposed changes to the project after initiation shall clearly show the effect on cost and programme and have prior confirmation by the contractor. There shall be a series of monthly meetings to review project progress against the planned
- Inability to secure planning permission for identified site. Mitigation :
 - Early consultation with the planning authority is recommended. Once the site is identified consideration should be given, in consultation with the planning authority, of holding a public meeting to explore the benefits and any concerns
 - Early identification of any aspects of the proposal that support the local development plan, e.g. cycle routes, public transport links

5. The Commercial Case

5.1 Introduction

This section presents the commercial case for the proposal to be funded through the Tay Cities Deal. In particular, it outlines the potential procurement strategy that would be adopted to ensure best value is achieved for public funds.

5.2 Required Services

The management and economic cases have outlined that in order to grow and meet demand, larger training facilities are required at both Perth College UHI and Dundee Airport. These facilities encompass both workshops and classroom space.

The creation of new facilities and enhancement to existing facilities, will support a number of local and national objectives. The Tay Cities Deal investment will provide the necessary environment to

- Promote quality learning experiences
- Encourage the local population to consider careers in aviation
- Meet growing industry requirements
- Enable Scotland to lead through a holistic approach
- Consolidate the Tay region as a key training provider
- Encourage inward investment by providing an excellent skills base

5.3 Potential for risk transfer

Risk management is detailed in the Management Case at section 7.7. A risk matrix has been developed and is included as **Appendix 7.5.1**. This then feeds into the detailed project risk register as provided in **Appendix 7.5.4**.

5.8 Procurement Strategy and Implementation Timescales

A full procurement strategy will be developed once the final structure for the organisations to collaborate is determined. However, as the project is fully government funded, it is expected that the Procurement Reform (Scotland) Act 2014 will apply to both the Perth and Dundee build projects regardless of the ultimate structure. The procurement strategy will include the requirement for suppliers to deliver innovative, cost effective building specifications that make use of low carbon technologies where possible. In developing the procurement contract strategy, the

following objectives, which are aligned with the National Audit Office Value Drivers, are key drivers in determining best value:

- Compliance with the EU Procurement Directives 2014 and the Procurement Reform (Scotland) Act 2014
- Adoption of a collaborative approach and avoidance of adversarial behaviours;
- Programme certainty;
- Out-turn cost certainty;
- Maximise use of local labour and supply chain;
- Sustainable approaches including community benefits

There are three potential options as follows:

- a traditional arrangement, where the detailed design is one contract and then the construction specification is tendered as a separate contract
- a single stage Design and Build contract, where the design and construction are tendered as one package, with the successful contractor providing both elements
- a Two Stage Design and Build contract, where the design and build are again tendered as one package as in a single stage contract. However, this differs from a single stage Design and Build contract as there is potential to review the contractor's performance and construction target cost and stop the process at the end of the design phase if necessary

Design and Build, particularly a two-stage approach, is proposed as the preferred option as it ensures a more appropriate allocation of risk which could lead to greater out-turn cost certainty. If not project managed correctly it could still lead to adversarial behaviours and may not achieve the wider objectives including collaborative community benefits. Perth College UHI have recent experience of a similar construction project and this will inform the project elements relating to the procurement and construction phases.

To proceed with a Design and Build option there are two procurement routes to market available;

- Conducting an OJEU Tender Exercise
- Utilisation of an existing National Framework

In order to conduct an OJEU Tender exercise, the allocated tendering timescales would be between 6-9 months. Whilst this approach has the advantage of competitive action and therefore potentially offers better value, this has to be balanced against resources to undertake an OJEU tender exercise, project timescales for completion of works and the due diligence that would require to be undertaken in respect of the successful supplier.

The use of a national framework would allow a fast, efficient, easy to use OJEU compliant process which removes the need to undertake a costly and time-consuming full OJEU procurement exercise. It also reduces risk for the Perth College UHI through pre-agreed terms and conditions and robust professional due diligence.

Ultimately, the procurement route for construction will largely be dictated by funding timescales in the first instance.

With regard to the buildings fit out, the procurement strategy will signpost to relevant frameworks to maximise efficiencies in the procurement process and achieve value for money.

The project will commence on each site independently and as the two elements are quite different, with the Perth College UHI build over a longer timeframe, detailed project timelines will continue to evolve throughout the development of the full business case.

Delivery Vehicle

A delivery vehicle is still under consideration for this project however there are many factors to be evaluated before a final decision is taken on the appropriate structure. Legal and financial/VAT advice is being sought to determine the recommended approach to delivery of the project. The recommended approach will be determined by the time of the Full Business Case is being drafted.

Commercial Viability

The options for procurement will in part be determined by the final structure agreed to deliver the project. The Tay Cities Deal is the only source of funding currently available to meet the identified need for new facilities.

5.9 FRS 5 Accountancy Treatment

The final accountancy treatment will be dependent on the works undertaken for Tayside Aviation. In respect of the Perth College UHI build, this project will be accounted for in the balance sheet as assets under construction during the construction phase. On completion, it will transfer to the fixed asset heading for land and buildings and any adjustment required for impairment will be applied. Depreciation will then be charged on an annual basis in line with the Perth College UHI depreciation policy for buildings.

Summary

Whilst there are still important factors to be finalised in relation to the structure of the project, there are two clearly identified preferred routes to market. A key factor will be the management of risks associated with the project and ensuring that the contractual arrangement places risks with the party best placed to deal with them.

Perth College UHI will apply lessons learned from the project to build the Academy of Sport and Wellbeing to the construction of this new, smaller facility. Advanced Procurement for Universities and Colleges (APUC) will provide support and guidance thereby ensuring that trained procurement professionals are guiding the contract process and minimising risk.

6. The Financial Case

6.1 Introduction

The financial case focusses on the costs of the capital project. Affordability has been considered in respect of the resulting revenue impacts

The strategic case has outlined the anticipated market demand for the training provision envisaged. Recognising that this is a global market, the AST brand already successfully operates on an international basis and the capital infrastructure investment will enable enhancement of the existing provision and provide a secure platform to facilitate growth.

The AAS presents an opportunity to create an enhanced brand providing a wide breadth of courses and skills to the industry. It will increase Scotland's prominence in a global marketplace through providing a high quality learning environment and experience. AAS will also provide local talent with clear career opportunities and multi-pathways into industry.

All parties wish to optimise the funding available to ensure that best value is achieved for those public funds. To facilitate this, expert legal and VAT advice has been sought, however due to the timescales for the Outline Business Case, it has not been possible to secure a fully formed view of the optimal structure in time for OBC submission.

With a number of complexities surrounding the various tax and legal scenarios, it is prudent to ensure that all aspects are considered in tandem in order to avoid making decisions which optimise one element eg VAT on construction, but perhaps are detrimental with regard to other taxation requirements once the project goes into the operational phase. This will be resolved for the Full Business Case.

6.2 Impact on the Income and Expenditure Account

Given that consideration is still being given to the most appropriate delivery model for this project, the outcome of that decision may impact on how the available funding is utilised within the capital phase of the project. There may also differing revenue consequences resulting from the delivery model.

This is particularly relevant in the context of taxation, and specifically the VAT costs as Perth College UHI is largely unable to recover those costs. As a registered charity and provider of education, Perth College UHI has partial exemption VAT status and is therefore unable to recover the construction VAT costs. AST also has a complex VAT position. Tayside Aviation are VAT registered and therefore able to recover VAT.

It therefore follows that scalable options will be developed to ensure that creation of the new buildings can be achieved within the total envelope of funding available, pending final agreement on the delivery model. The Tay Cities Deal funding available for this project is capital only and decisions on structure will need to take account of any future revenue tax implications.

The figures supplied in **Appendix 6** are therefore focussed solely on the capital project for which funding is being sought. These figures exclude VAT but it is highly likely that VAT incurred in respect of the Perth College UHI/AST build will not be reclaimable and will therefore be a cost for which funding is required. This is reflected accordingly in the income and expenditure template (appendix as above) where the irrecoverable VAT forms part of the TCRD funding.

6.3 Impact on the Balance Sheet

Until such time as there is an agreed delivery model structure it is challenging to model the balance sheet impact. This will be finalised for inclusion in the Full Business Case.

Assuming the Perth College UHI / AST building becomes an asset of Perth College UHI as expected, this will increase the fixed asset buildings value by £6.03m leading to an approximate depreciation charge of £0.121m based on a 50 year life span as per the current depreciation policy.

The Tayside Aviation building will be accounted for based on the final outcome of the delivery model.

6.4 Overall Affordability

Capital

Capital infrastructure funding in the Scottish education sector is under significant pressure. The Scottish Funding Council commissioned a College sector estates condition survey in 2017 and this identified an investment requirement of £363,321,028 for total backlog maintenance and renewals.

This survey and the resulting investment identified does not include works to re-develop or enhance facilities. It therefore does not address the need within Perth College UHI to adapt and focus on STEM curriculum activities and the Tay Cities Deal is currently the only mechanism by which to achieve this.

The Tay Cities Deal Heads of Terms agreement provided for £8.1m for this project all of which will be directed towards creation of the facilities. The funding requirement is for £2.14m for the Tayside Aviation build at Dundee Airport and £6.03m for the Perth College UHI/AST build. Equipment costs will be met by the partners involved and is anticipated to include donations from industry and sponsorship.

The financial modelling informing this part of the business case is indicative at this stage, but has sufficient detail for the purposes of an Outline Business Case. Work will continue to ensure that detailed modelling is available for inclusion in the Full Business Case.

With the Academy of Sport and Wellbeing at Perth College UHI, a recent design and build project there is robust data available to inform both the contract arrangements and the associated financials, once the project structure has been finalised. Lessons learned from the Academy of Sport and Wellbeing project will be incorporated into the planning for this new facility.

This data, along with guideline typical UK construction costs, provides the basis for estimating cost outcomes.

Grant will be required on a staged payments basis in line with the anticipated contractual requirements. This will enable the project partners to make timely payments to suppliers, thereby ensuring that cash flow to the supply chain is managed appropriately.

Revenue

The future revenue costs resulting from this project will be costed into the training delivery charges and met through a combination of income generation and efficiencies. The annual running costs of the new Perth College UHI building are not anticipated to exceed £80k at today's prices but will move depending on the final design taken forward.

The level of additional income generation will be influenced by the capacity of the new facilities and the flexibility this provides in expanding learning opportunities. These facilities will allow larger teaching cohorts to be accommodated whilst using the same staffing resource. Additional staffing resource requirements will be calculated and incorporated in course costings, along with other direct and indirect costs, to determine appropriate charging levels and ensure the financial viability of the teaching provision. Sensitivity analysis will be carried out once plans are at a more advanced stage.

On the basis of the expenditure profile, the annual depreciation capital charge for the Perth College UHI building will be £121k, with a part year impact in 2022/23 when the building becomes operational. This charge will be covered by the deferred capital grant funding resulting from the accounting for the Tay Cities Deal.

Equipment depreciation charges will be in line with existing depreciation policies but no decisions will be taken on equipment until final plans are agreed. Equipment donations will be accounted for as per FRS102 requirements.

For Tayside Aviation, from 2021 the additional student numbers that they can accommodate in the new facilities will generate new income of approximately £396k in the 2021. The associated revenue costs of both the facility and staffing amount to approximately £106k per year before depreciation charges.

Summary

This section has considered the overall capital and revenue affordability for providing new facilities at Perth College UHI and Dundee Airport. For Perth College UHI, until the building design is further advanced it is not possible to accurately quantify the additional revenue requirements however these will be developed for inclusion in the Full Business Case.

At this stage we have confirmed a requirement for:

- Total capital funding of £8.17m from Tay Cities Deal
- Annual capital charges of £120,600 for Perth College UHI from 2022/23
- Revenue costs starting from £186k per year to be covered by project partners through additional income generation and efficiency gains

7. The Management Case

7.1 Introduction

The Management Case sets out the framework through which the delivery of the Aviation Academy for Scotland (AAS) will be managed and details how all partners involved will provide a clear and coordinated strategic approach to the management and delivery of the project.

As the project evolves from inception, through to implementation and operation, the management format will change. This chapter focuses on the detailed arrangements to ensure the successful delivery of the AAS. To deliver the AAS the partners are making use of existing in-house skills and experience, as well as seeking specialist support from trusted external partners, as required. Using the skills and knowledge available will, in particular, support the design, construction, economic modelling, forecasting and business case preparation associated with the project.

The management case provides detail on the actions that need to be taken by all individuals, groups and stakeholders involved to deliver the project across all stages. It sets out the;

- project management arrangements
- use of special advisors
- change and contract management arrangements
- benefits realisation process
- risk management arrangements
- arrangements for post project evaluation
- gateway review arrangements
- contingency plans and
- plans for marketing and communications

7.3 Project management arrangements

Project management is central to the implementation of the AAS to ensure planning, delegation, monitoring and control of all aspects of the project. The project management arrangements will outline the;

- proposed methodology in which the project will be run
- project reporting structure
- project roles and responsibilities and
- project plan, showing the high level timetable for the project

Project Methodology

The project management methodology used to guide and define the principles and processes, necessary to manage the AAS project, is based on the PRINCE2 methodology (Projects IN Controlled Environments). The project will therefore apply the following principles:

- i. **Continued Business Justification:** The business case is the most important document, and is updated at every stage of the project, to ensure that the project is still viable
- ii. **Learn From Experience:** Lessons are sought, recorded and acted upon, throughout the life of the project. AAS Project Board and Team will liaise with key stakeholders throughout the project to understand best practice
- iii. **Defined Roles and Responsibilities:** Roles are separated from individuals, who may take on multiple roles or share a role (see section 7.3.2 Project Roles and Responsibilities)
- iv. **Manage by Stages:** the project is planned and controlled on a stage by stage basis. Moving between stages includes updating the business case, risks, overall plan, and detailed next-stage plan in the light of new evidence
- v. **Manage by Exception:** The tolerances of change to cost, time, quality, scope, benefits and risks are all managed through the Project Team and ongoing liaison with the Project Board. If the Project Team forecasts that these tolerances are exceeded (e.g. time of a stage will be longer than the estimated time in the current management stage) it is escalated to the Project Board for a decision on how to proceed
- vi. **Focus on Products:** A PRINCE2 project focuses on the definition and delivery of the products; in particular their quality requirements
- vii. **Tailor to Suit Project Environment:** Size, complexity, team capability, risk and environment are all factored into the ongoing project management of the AAS (reflected in stage reviews throughout the project)

PRINCE2 Processes

In line with the PRINCE2 management stages, the project shall be run through a four stage process; Pre-planning (feasibility), Initiation (planning), Delivery (execution) and Closure (ending of a project).

The Project Manager is responsible for conducting and recording Stage Reviews. The Stage checklists produced at the beginning of the project, or prior to commencing an individual or combined Stage (as applicable), shall be used to establish that all products have been delivered. The products shall be delivered (i.e. created, reviewed, updated etc.) within the Stage prior to the Stage Review. The Stage Checklist shall be signed and dated on completion of a Stage Review by both the Project Lead and Project Board to indicate that the project is fit to proceed to the next stage.

Table 1 within the OBC highlights where these stages and subsequent reviews fall within the project.

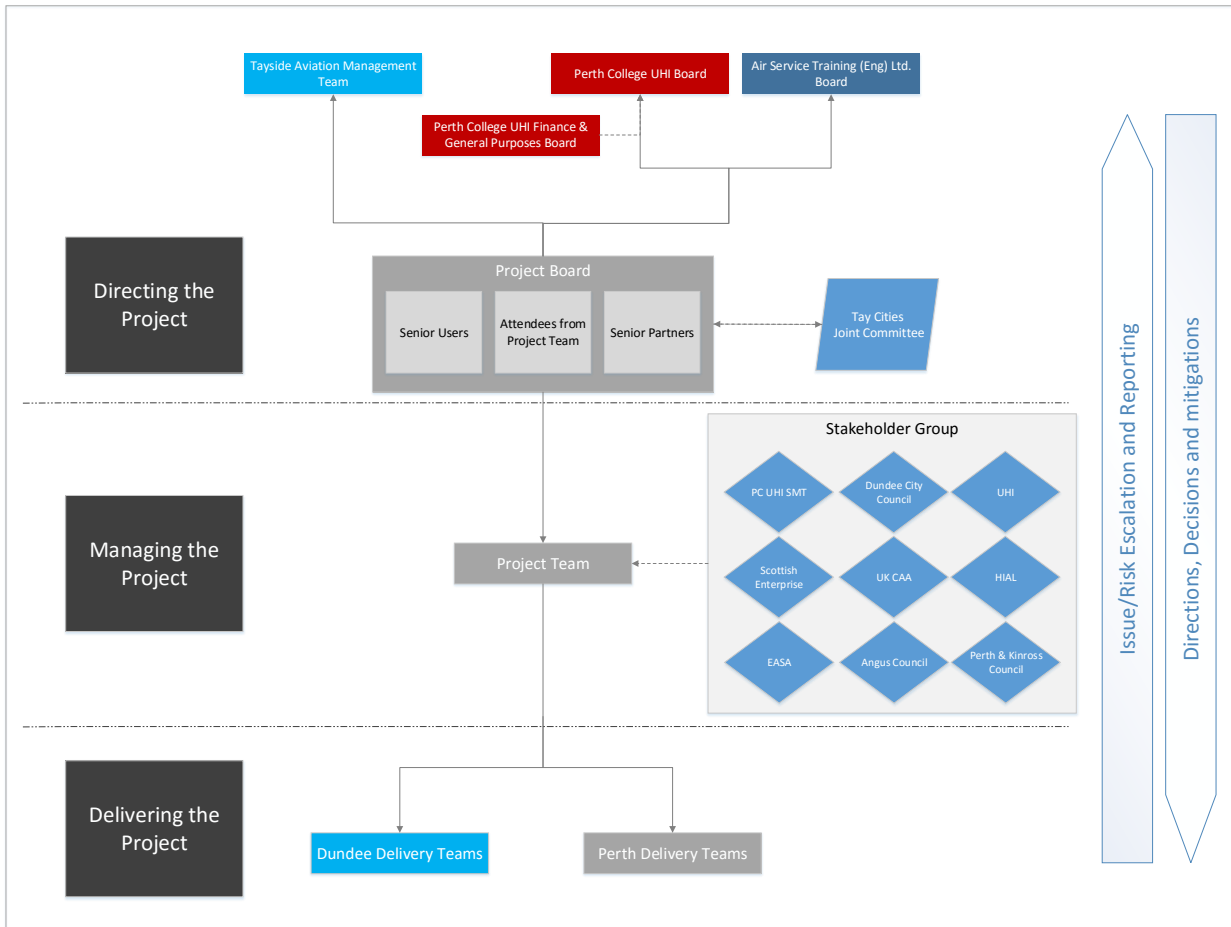
Using the PRINCE2 model will; increase the quality of the buildings to being constructed, allow for an efficient control of resources throughout the project, and avoidance of either under/over regulated working during the project.

7.3.1 Project Reporting Structure

Establishing an effective project management structure is important to the project's success. Every project has a need for direction, management, control, communication and delivery using a structure that allows for efficient management. As the project is cross-functional and involves partnership between three organisations its structure needs to be more flexible, and is likely to require a broad base of skills throughout.

The project is being developed jointly by Perth College UHI (PC UHI), Air Service Training (Eng) Ltd (AST) and Tayside Aviation (TA). The proposed reporting structure for the project enables all three organisations to work jointly to oversee management and delivery of the project. The key project decisions will be taken by the Project Board (members and responsibilities outlined in (**Appendix 7.1**)). The Project Board will report back to the partner organisations' internal governance structures as well as externally to the UK Government.

The proposed reporting structure is shown in the diagram below:



The above will be applied throughout the full lifecycle of the project to ensure maximum control, quality, and financial benefit. This will ensure that:

- a consistent framework is applied to the project
- all planning of project resources consider the needs of all partners
- risks are managed effectively by the most suitable stakeholders and
- good practice can be shared across all partner organisations

7.3.2 Project Roles and Responsibilities

The AAS project management consists of roles and responsibilities that bring together the various interests and skills involved in, and required by, the project. As highlighted earlier, the roles and responsibilities of teams and individuals stem from the PRINCE2 methodology.

The detailed roles and responsibilities of the Boards, Teams and individuals within the project structure and the RACI (Responsible, Accountable, Consulted and Informed) for the project are set out in **Appendix 7.1 and 7.2**.

7.3.3 Project Plan

The Project Plan is reviewed and updated by the Project Manager and Project Lead on a regular basis, with the input of the Project Team, and then circulated to the Project Board during governance for approval. The process of reviewing and updating the plan comprises:

- considering the latest project updates and timescales as determined by the teams supporting the delivery of the project
- identifying dependencies/interdependencies between stages within the project
- scheduling activities to run concurrently in order to run the project efficiently
- monitoring the critical path for the project
- consideration to any risks and issues that might affect the successful delivery of the project

The project plan is a live document that outlines all activities through to FBC submission and subsequent implementation of the AAS, in line with the requirements of the UK Government, Scottish Government and Tay Cities Deal Joint Committee. The plan identifies responsibilities, accountabilities and dependencies between all project activities.

Table 1 provides an overview of the plan and it indicates the stages, high-level milestones and prospective timescales for the project. A detailed implementation plan for the project will be submitted within the FBC (Full Business Case).

Table 1: Project Plan Key Milestones

**Proposed date*

Stage	Milestone	Due Date
Pre-Planning	Strategic Outline Case	October 2017
	Head of Terms Agreement	November 2018
Initiation	Outline Business Case Internal Sign-Off	April 2019
	Outline Business Case Submission	April 2019
	Full Business Case Internal Sign-Off	<i>September 2019</i>
	Full Business Case Submission	<i>September 2019</i>
	Full Business Case Deal Agreed	<i>November 2019</i>
	End Stage (Stage Review)	<i>November 2019</i>
Delivery Stage 1 (Detail Designs)	Confirm Design Brief Requirements	Dundee: <i>December 2019</i> Perth: <i>January 2020</i>
	End Stage (Stage Review)	<i>January 2020</i>
Delivery Stage 2 (Procurement and Mobilisation)	Obtain Planning Consent	Dundee: <i>March 2020</i> Perth: <i>July 2020</i>
	Tender Period for Construction (Inc. OJEU)	Dundee: <i>April 2020</i> Perth: <i>October 2020</i>
	Tender Award & Mobilisation of Contractor	Dundee: <i>May 2020</i> Perth: <i>November 2020</i>
	End Stage (Stage Review)	<i>November 2020</i>
	Start on Site	Dundee: <i>May 2020</i>

Delivery Stage 3 (Construction, Testing and Commissioning)		Perth: November 2020
	Construction Complete (Handover)	Dundee: January 2021 Perth: September 2021
	Lessons Learnt Report	Dundee: February 2021 Perth: October 2021
	End Stage (Stage Review)	<i>October 2021</i>
Closure	Post-Project Review (Benefits Realisation)	<i>March 2022 – September 2022</i>

7.4 Use of special advisors

Special advisors have been used in a timely and cost-effective manner. The special advisors are listed in **Table 2** below. The table below is a live table that will be updated as the project progresses.

Table 2: Breakdown of the use of Specialist Advisors

Specialist Area	Advisor
Financial	
Technical	Regulatory Authorities (CAA/EASA); <i>To ensure the delivery meets the requirements of the aviation industry required bodies</i>
Procurement and legal	Thornton's; <i>Legal advice on the status of the AAS structure</i>
Business assurance	
Other	University of the Highlands and Islands (UHI); <i>Assistance in preparation of the OBC</i>

7.5 Outline arrangements for change and contract management

Change Management

The governance arrangements outlined in the OBC will ensure implementation can progress in a timely and efficient manner, whilst also ensuring that all elements within the project are managed in line with financial and procurement rules. To supplement and support this, the project has developed a clear approach to change management in order to facilitate effective delivery. The mechanisms the project will use for control, and management, of change will be discussed through;

- the change management principles defined in the project
- the change control process and
- the details within the change request process

Change Management Principles

The Project Board has initially discussed the change process and has started to develop a series of principles that will underpin all changes within the project. These principles will shape the way that the change process is managed. The principles agreed to date include:

- recognise the need to maximise the benefits of the change for all stakeholders
- test and prove the changes through careful piloting of any aspects of the new models and processes that can be implemented, before the new buildings are commissioned
- work in partnership with staff and other stakeholders both within and outside the project
- focus the development of change skills within the project team so they are both capable and empowered to recognise and deliver change where appropriate

Once the OBC has been approved, these principles will be revisited and confirmed by the Project Board. The change management principles will be communicated to all staff involved within the project after confirmation.

Change Control Process

Any change that is not within the agreed scope of the project will need to be requested through a specific change control process which will be managed by the Project team in the first instance. The inclusion of this process does not predict change, but places a clearly defined process in place by which any required changes can be managed.

The decision making process will be undertaken as follows:

- Change impact falls within delegated authority of the Project Manager/Project Lead and the Project Team within defined contingency levels (please see Table 3 below). Any challenges, with accompanying justifications, to the decision made will be escalated to the Project board for a decision; in any urgent cases the Project Lead will consult with all Senior Users (represent senior stakeholders from each partner within the project) for decision
- The Project Manager and Project Lead will have delegated authority to approve changes of each agreed contingency type (Time, Cost & Quality) if required. Any changes of any greater contingency will require approval by the Project Team or in an emergency the Project Lead and Senior Users. Any changes above this level of contingency will be required to be approved by the Project Board with the Project Lead presenting the request and reason for change. Any changes outside of expected tolerances that are not within the projects' remit to control, are also likely to require escalation to all individual partner's boards for review

Table 3: Levels of Change Control Ownership

Category	Project Manager/ Project Lead	Project Team	Project Board
Budget	One-off minor changes up to £5,000	£5,000 per individual change up to a maximum of £30,000 in total	Any changes which may result in a change to project delivery date, which may require external and or partner board engagement
Timescale	Minor changes which don't impact the overall timeline for delivery		Any changes which may result in a change to project delivery date, which may require external and or partner board engagement
Scope	Minor changes which do not alter the outcome specified within the bid		Any significant change to outcomes, which may require external and or partner board engagement

Change Requests

Once change is identified, the person requesting the change will complete a Change Request Form. All Change Request Forms will be serial numbered and recorded in the Change Register, regardless of outcome of request. The Change Register will detail the request and the decision made regarding the request. Any decision will be recorded in the decision log and each decision made should be made available to the Project Board, with any significant decisions/changes provided as an agenda update.

The following information is captured against each change:

- Unique sequential reference number (in the format of XXXDDMMYY – where XXX is the number allocation)
- Detailed description and justification for change
- Date raised
- Team member who raised the change
- Change Description
- Impact Analysis (e.g. time, money, scope)
- Approval/Rejection/Referral by required level

The appendices contain the Change Request Form (**Appendix 7.4**), once this is raised each request will be documented in the Change Register.

Contract Management

This Section considers the arrangements in place to manage contract change during the construction phase. Therefore the project will consider known/expected as well future contractual change.

As the project enters Delivery Stage 3; Construction, Testing and Commissioning (assuming approval of both business case proposals), it is vital that the strong and effective governance arrangements are in place to ensure the project can progress. To ensure control, the Project Team follow the change control process previously described concerning all construction contracts. To ensure the risk of any contractual changes is minimised for the project, all aspects of design briefing/scoping and subsequent reviews will be comprehensive in nature.

7.6 Outline arrangements for benefits realisation

Benefits Realisation is the overarching process which incorporates the Benefits Realisation Plan (BRP) as part of a process of continuous improvement. It takes account of changes in the project during the delivery stages which impact on, or alter the expected benefits of the project. The benefits management approach is an iterative process of definition, identification and structure, planning, implementation and realisation as illustrated below.



- i. **Define benefits management plan:** Sets out policies for aspects such as measurement, roles and responsibilities, priorities and key performance indicators (KPIs)
- ii. **Identify and structure benefits:** Benefits depend on the delivery of outputs and the achievement of outcomes. The interrelationships between these need to be understood through benefits modelling and mapping. Each benefit (and dis-benefit) should be documented in terms of priority, interdependencies, value, timescales and ownership

- iii. **Plan benefits realisation:** The BRP illustrates the timeline and milestones for realising benefits, including any dependencies on project outputs or interactions between benefits
- iv. **Implement change:** Successful delivery of the BRP
- v. **Realise benefits:** Tracking realisation to ensure that the change is permanent. The bulk of the benefits may only be realised after a project or programme is completed. Long-term actions and monitoring for continued realisation should be documented as part of the project handover

Process for developing the BRP

In developing the BRP a workshop was held in April 2019 involving members of the Project Team and Project Board. As a result of the workshop, a number of stages were identified in the development of the BRP process, namely:

- How benefits will contribute to the TCD Aims
- Which stakeholders will be impacted
- The benefits relative value
- The benefits relative timescale
- Whether the benefit was qualitative or quantitative

Benefits Realisation Plan (BRP)

An initial BRP (**Appendix 3.2**) has been developed and further activities identified to conclude and finalise the plan. This will be used to track, monitor and manage benefits over the lifetime of the project and, where necessary, take corrective action to ensure the anticipated benefits are realised.

7.7 Outline arrangements for risk management

The project's approach is to minimise its exposure to risk. It will seek to recognise risk and mitigate the adverse consequences. However, the Project Board recognises that in pursuit of its mission and objectives it may choose to accept an increased level of risk. It will do so, subject always to ensuring that the potential benefits and risks are fully understood before developments are authorised, and that sensible measures to mitigate risk are established. The arrangements for risk management will be highlighted through;

- the project's risk management strategy
- the procedure risks will be managed through and
- how risks will be measured and monitored throughout the project

Risk Management Strategy

The project will take a portfolio approach to risk management – i.e. whilst at any one time it may be carrying a high level of risks in one or more parts of the project, it will ensure that the number of areas exposed to high risk at any time are minimised and balanced with a low risk approach in other areas. The portfolio of risk will be regularly reviewed by Project Team and Project Team.

High risk areas will be very closely aligned to key outputs and aligned to high returns i.e. the project should not be exposed to high levels of risk if returns are likely to be minimal or if the activity is not business critical.

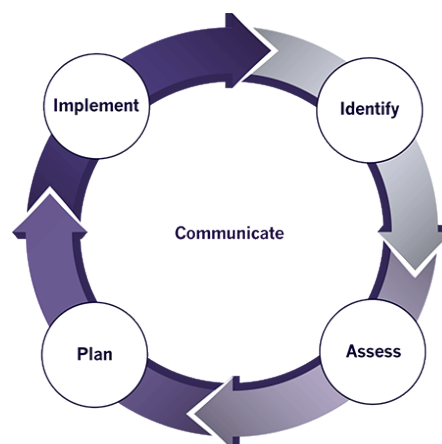
The elapsed time over which the project is exposed to a high level of risk in any area will be minimised as much as possible.

The Project Team recognise that there are two distinct build projects in Perth and Dundee, therefore portfolio risk will be considered both at the geographic site and as an overall project

Risk Management Procedure

The procedure in which risks within the project will be managed through is a five step model recommended by the PRINCE2 methodology.

- i. **Identify:** Identify the risks (threats and opportunities) that could affect the project
- ii. **Assess:** Assess the risks in terms of their probability and impact (risk matrix - **Appendix 7.5.1**) on the project outputs
- iii. **Plan:** Prepare the specific response to risks (e.g., to help reduce, avoid or mitigate), or this could also be to plan to maximize the opportunity if the risk occurs
- iv. **Implement:** Carry out the planned responses mentioned in step 3 if the risk happens
- v. **Communicate:** Keep communicating to all appropriate stakeholders within the project, primarily through reports



Measuring and Monitoring Risk

A risk matrix – in accordance with Perth College UHI's approach to risk management – has been developed for the project (**Appendix 7.5.1**). This approach requires the grading of a risk to determine the gross impact through the calculation of the impact (**Appendix 7.5.2**) and the likelihood of the risk occurring (**Appendix 7.5.3**).

The output of this analysis is recorded in the Project Risk Register (**Appendix 7.5.4**). The Project Risk Register has been created to help proactively manage and reduce the likelihood of the risk occurring. An action owner is assigned and mitigation actions are allocated to help reduce the probability of the risk being realised, or lessen its impact. The Project Risk Register is managed, reviewed and updated by all members of the Project Team on a regular basis, and appropriate action taken, as required. High level risks that cannot be managed at a Project Team level will be escalated to Project Board for assessment and review.

The Project Risk Register is maintained as a dynamic document and will be reviewed and updated as the project progresses through the FBC stages to the realisation of benefits and the achievement of outputs.

7.8 Outline arrangement for post project evaluation

The purpose of Post Project Evaluation (PPE) is to improve project appraisal at all stages of a project from preparation of the business case through to the design, management and implementation.

Outline arrangements for PPE have been identified through; the framework that will be used for PPE (based upon the SCIM 4 stage model) and the management of the Evaluation process.

Framework for PPE

Guidance on PPE has been published by the Scottish Government (Scottish Public Finance Manual) and this, along with the Scottish Capital Investment Manual (SCIM), has been utilised to build the framework for PPE for the AAS project. The SCIM guidance on PPE identifies four stages in the PPE process:

Stage 1: The Evaluation Plan

The Evaluation Plan will be completed before the FBC is submitted and form part of the FBC document. The Evaluation Plan will:

- Set out the objectives of the evaluation, identifying what the objectives are and why they are important
- Understanding the scope to show the type of evaluation to be undertaken at the various stages of the project

- Defining the success criteria and indicators for recognising them
- State the method(s) that will be used to obtain the information
- Clarifying the timescales of the evaluation
- Identifying ownership and roles for the evaluation process
- Confirming the resources and budget
- Understanding the best method of communication for the results of the evaluation to be shared

The Evaluation Plan will be developed in conjunction with the BRP and the arrangements set out for Risk Management, as all three are connected within the project. This will help to ensure that:

- Changes in the project outputs can be tracked and explicitly noted in the Evaluation Plan
- The assessment of whether the benefits expected from the evaluation have materialised

The Evaluation Plan will be a living document and shall be reviewed throughout the project.

Stage 2: Monitor progress and evaluate the project outputs

The project will primarily monitor cost, time and operational performance. Monitoring reports will be produced at regular intervals to help the Project Board judge whether project objectives are being met. These reports will be produced at the end of each of the project stages (see Table 1 for reference).

The key issues to address at this stage will include:

- Was the project completed to the expected timescale?
 - If not then what were the causes of delay on the project?
- Did the project on completion fall within the agreed budget?
- What recommendations would management within the project recommend to prevent future problems?
- Have all aspects of delivery been complete to expected quality?
- Are the buildings suitable for their intended functions?

The issues identified in the review process up to this point, will form the basis of the PPE report.

Stage 3: Initial post-project evaluation of the project outputs

Once the project has become operational in the new buildings and a reasonable bedding-in period of 6-12 months after commissioning of the AAS has been allowed, a more wide-ranging evaluation of the costs and benefits of the project will be undertaken.

This evaluation will build on the work carried out in stage 2 (Monitor progress and evaluate the project outputs). It will involve reviewing the performance of the project in terms of the project outputs in detail.

Stage 4: Post occupancy evaluation

Further evaluation will be undertaken at a later stage to assess longer-term outputs and/or the extent to which short-term outputs are sustained over the longer term. By this stage, the full effects of the project will have materialised.

As well as re-assessing the preliminary outputs identified in Stage 3 (Initial post-project evaluation of the project outputs), the evaluation at this stage will also address:

- Any changes in operating and maintenance costs
- Changes in the key risks inherent to the project
- Changes in any potential performance measures

A summary of the requirements and estimated timings of the 4 stages for the project are set out in **Appendix 7.6.2**.

Management of the Evaluation Process

The Project Team will be responsible for ensuring that all arrangements have been put in place and that the requirements for PPE are fully delivered. The Project Manager will be responsible for day to day oversight of the PPE process, reporting to both the Project Team and Project Board. The Project Manager will set up a Steering Group for the evaluation (Stage 3 of the above process), which will represent interests of all relevant parties within the project, and have access to professionals who have appropriate expertise for advising on the project.

The Project Manager will coordinate and oversee the evaluation. For the evaluation to be effective it must be objective. The steering group will be multi-disciplinary and is being proposed to include the following groups;

- Instructors, Lecturers and Academics within the engineering and aviation industry
- Estates professionals and other specialists that have an expertise on facilities
- Accountants and finance specialists plus representatives from any other relevant technical or professional grouping
- Students and representatives from the aviation industry (client base specific)

All partners in the project are committed to ensuring that a thorough and robust PPE is undertaken to ensure that the expected outputs from the project are realised, and that positive lessons can be learnt from the project.

7.9 Gateway review arrangements

The OGC (Office of Government Commerce) Gateway Review process examines programmes and projects at key decision points in their lifecycle. It looks ahead to provide assurance that they can progress successfully to the next stage. Gateway reviews deliver a "peer review" in which independent practitioners from outside the programme/project use their experience and expertise to examine the progress and likelihood of successful delivery.

A two-stage process has been created to support the Project Board in determining whether the project should have Gateway Review support. The first stage is a short internal assessment within the project team that helps the Project Board to determine whether the project is likely to be Low, Medium or High profile/risk/complexity. The internal assessment took the shape of an open discussion, being structured through the following areas; Strategic Impact, Delivery Challenge, Capacity and Capability and Scale. If the project at first stage was assessed as either Medium or High then the second stage would have to be undertaken.

The second stage requires the completion of the Risk Potential Assessment (RPA) form. If the project resulted in a Medium or High rating following the RPA, a formal Assessment Meeting with government to evaluate and determine where Gateway Review support would be scheduled.

In relation to the AAS OBC, the results of the initial internal assessment indicated a medium level of profile/risk/complexity which required that a RPA should be completed to determine whether the project must be supported by the Scottish Government Gateway Review process.

The completed RPA assessment indicates that the overall risk rating for the project is 'Medium' suggesting a requirement that the project meets with the Departmental Assurance Coordinator (DAC) via an assessment meeting. It is recognised that a change in risk or circumstances during a project might require the RPA to be updated and could cause the introduction of Gateway Reviews.

A copy of the RPA assessment is included at **Appendix 7.7**.

Planned Reviews

As highlighted within Table 1, there are internal stage reviews at all key stages of the project (specifically during the initiation and delivery stages). Within each of the delivery stages in particular, the project has reflected the OGC gateway review process within the plan to ensure a recurring fresh perspective on the issues the project is facing as well as a means for assurance that the projects plans and processes continue to be robust.

7.10 Contingency plans

As illustrated within the project management arrangements reporting structure, the project is resourced and managed with an appropriate set of workgroups and reporting lines such that progress and any/all issues arising are visible and addressed by the appropriate individuals/teams.

Due to the reporting structure as well as the frequency of risk and issue reporting, there is an in-built risk management of progress in the project and awareness of key dates and milestones throughout the various individuals and teams.

From a construction (including handover) perspective the achievement of key dates and ultimately having the buildings complete and ready for operational use is a managed activity that will be reported frequently throughout the project – this will allow identification to be escalated and required actions implemented should delivery be threatened.

Additionally, the treatment of defects in the construction contract will allow for a 12-month defects period for correction of defects dependent upon the nature of the defect in question. This approach again provides a contingent position to minimise impact on delivering training once the buildings are operational.

In order to minimise loss of training/business interruption once the buildings are operational, the Project will utilise the existing Business Continuity Plan within the Perth site, the plan is reviewed and updated each quarter to ensure all risks of disruption are included and any changes to business reflected in the plan. The Dundee site will continue to remain in their current premises until the new building is operational, Tayside Aviation own their current premises therefore they are under no obligation to move from an external party at any time.

The Business Continuity Plan primarily used in Perth will be adapted for the project as a whole as best practice for elements of the project where contingency can be centralised.

7.11 Communications plan

An effective plan for engagement and communication will ensure everyone has a common awareness and understanding of issues within the project, which can help break down resistance and refine proposals and help stakeholders remain engaged and involved in the process.

A Communications and Marketing delivery team will be formed to strategically plan for the handling of proactive communication of milestones, staff communications, marketing, media and joint working with the PR/marketing departments of all partners within the project.

The communications and marketing plan will aim to:

- Raise awareness of the plans for the new Aviation Academy for Scotland

- Build and maintain enthusiasm for the project amongst the local and regional communities
- Ensure staff, industry, the general public and other key stakeholders are kept updated as plans progress – including key milestones and decisions
- Highlight benefits for potential students, staff and the local and regional communities – including improved facilities and services, economic impact and contribution to the wider industry within the region

The main methods which will be used to keep stakeholders involved include:

Internal Communications

Partner Board Updates – a quarterly update from a representative of the Project Team which is used as the basis for communicating progress throughout the project.

Project Board Updates – a standing agenda point addressed by Project Manager at each Project Board Meeting.

Project Team Updates – a standing agenda point addressed by the lead of the Communications and Marketing Delivery Team at each Project Team meeting.

Partner Core Brief – a real-time e-mail bulletin, which will be used to brief staff across the partner organisations on key developments, decisions and achievements within the project.

PC UHI & AST Internal Staff Net (Perthnet) – The intranet will have dedicated pages on the project to keep staff informed of progress.

TA Internal Messenger – Slack internal messenger will be utilised for all on-going internal updates.

Staff Briefings – in recognition that there is no substitute for face-to-face meetings, all the above is underpinned and supported by a regular programme of staff briefings and open drop-in sessions to update staff on progress and activity (this will be operated by each individual partner for their organisations independently). Examples of this include Staff Conference Days (PC UHI), Strategic Away Days (AST), Cross College groups and staff team meetings.

External Communications

Website – The Partners Websites on average receive around over 250,000 hits in total per month from both local and international visitors. Within 2 to 3 clicks, visitors will be taken to key information about the AAS with links to the latest news and information on the project.

Creation of a Dedicated AAS Website – Perth College UHI will provide an opportunity for a collaborative brief between a senior computing and senior design students who currently attend the college. This will be overseen by Perth College

UHI's own Marketing Team to ensure the AAS branding and messaging remains consistent across all external channels.

Media Relations – the Vice Principal, External will work with the Project Board, Project Team and others to identify promotional opportunities to maximise media coverage on the creation of the Aviation Academy for Scotland. There has already been widespread media coverage of the announcement via the Tay Cities announcement involving the First Minister of Scotland attending the Perth College UHI Campus. This proactive work will inform the development of an action plan of activities to promote the academy training courses and degrees on an ongoing basis. Communications will also explore opportunities to develop campaigns and joint initiatives with potential key media partners.

Stakeholder Briefings – regular one-to-one briefings with key stakeholders such as local MSPs, business leaders and university and industry colleagues will also be arranged to ensure they are kept updated on the development of the project.

Given that the project is anticipated to be fast moving and evolving, this plan will be reviewed and updated regularly as the project progresses and will be a living document.

Appendices

Appendix	Item	Author	Comments (reason for status, expected date of final version if applicable)
Overall			
1	Glossary of Terms	Project Manager	<i>Live Table</i>
Strategic Case			
3.1	Business Needs Tables	Project Lead and Project Board	Complete
3.2	Benefits Realisation Plan	Project Lead, Project Manager and Project Board	Complete
Economic Case			
4.1	Long list of options table	Project Lead, General Manager, Director	Complete
4.2	Short list of options table	Project Lead, General Manager, Director	Complete
4.3	Summary of Outcomes Targets	Project Board	See Attachments (separate document)
Financial Case			
6	Income & Expenditure Profile Summary	Project Team	See Attachments (separate document)

Management Case			
7.1	Governance Roles and Responsibilities	Project Board	Complete
7.2	Project RACI (Responsible, Accountable, Consulted and Informed)	Project Manager	To be Submitted with FBC
7.3	Detailed Project Implementation Plan	Project Manager	To be Submitted with FBC
7.4	Change Request Form; Aviation Academy for Scotland	Project Manager	See Attachments (separate document)
7.5.1	Risk Management Approach: Risk Matrix	Project Board	Complete
7.5.2	Risk Management Approach: Risk Impact – Criteria	Project Board	Complete
7.5.3	Risk Management Approach: Risk Likelihood - Criteria	Project Board	Complete
7.5.4	Risk Management Approach: Project Risk Register	Project Board	<i>Live Document</i> See Attachments (separate document)
7.6.1	Post Project Evaluation: Evaluation Plan	Project Manager	To be Submitted with FBC
7.6.2	Post Project Evaluation: Key stages of the PPE process	Project Manager	Complete
7.7	Risk Potential Assessment (RPA) Form	Project Lead	See Attachments (separate document)

Appendix 1

Glossary of Terms

Aviation Academy for Scotland (AAS)	An innovative Tayside wide partnership project with the key objective of providing specialist training, skills and knowledge to the growth global industry of aviation and emerging clean technologies and low carbon transport sectors from a central Scotland location.
Benefits	Benefits can be defined as the positive outcomes, quantified or unquantified, that a project will deliver.
Benefits Realisation Plan (BRP)	The Benefits Realisation Plan provides details of how the benefits process will be applied to a project.
CAA	UK Civil Aviation Authority is the National Aviation Authority (NAA) for the implementation of aviation rules and regulations pertaining to the training of aviation professionals
Cost Benefit Analysis	Method of appraisal which tries to take account of both financial and non-financial attributes of a project and also aims to attach quantitative values to the non-financial attributes.
Critical Success Factor (CSFs)	Critical Success Factors are important project objectives/considerations, which are used to conduct a high-level assessment of the longlist of options at the strategic outline case stage.
EASA	European Aviation Safety Agency is the overall authority for aviation safety and associated training for the EU member states and other affiliated nations (eg Norway, Iceland)
Full Business Case (FBC)	Final iteration of the business case and the case that goes for Defra Secretary of State approval. This sets out the final Proposed Option in detail and include inputs from any consultation. The implementation and procurement route will be detailed, and how it will be managed, and the benefits realised.
Optimism Bias	The demonstrated systematic tendency for appraisers to be over-optimistic about key project parameters, including capital costs, works duration and benefits realisation.

Options Appraisal	The process of defining objectives, examining options and weighing up the costs, benefits, risks and uncertainties of those options before a decision is made.
Outline Business Case (OBC)	Second iteration of the business case. Provides additional detail and identifies the Proposed Option based on full analyses. It should set out the likely implementation and procurement route and demonstrate the affordability of the project.
Post Project Evaluation (PPE)	A post-project evaluation is an assessment of project results, activities, and processes.
Residual Risk	Residual risk is the threat that remains after all efforts to identify and eliminate risk have been made.
Sensitivity Analysis	Sensitivity Analysis can be defined as the effects on an appraisal of varying the projected values of important variables.
Strategic Outline Case (SOC)	First iteration of the business case. This presents a strong case for change and will confirm the strategic content of the proposal to do this. Initial analysis should be used to refine a long list to a short list of options to take forward. It should include indicative management, procurement and costs.

Appendix 3.1

Business Needs Tables

Investment Objective	Provide world class training
Existing Arrangement <i>'the status quo'</i>	<ul style="list-style-type: none"> • Successful developer & deliverer of accredited degree courses in aviation and related sectors, with emerging opportunities in Middle East, China and India (PC) • Range of provision servicing the needs of industry • Well established profitable businesses with worldwide reputations operating from inadequate and capacity constrained facilities in comparison to 21st century expectations & emerging non-UK competitors (AST & TA) • 80% non-UK student base therefore significant economic benefit of bringing students and dependents into Perth area for course duration (AST)
Business Need <i>Problems with the status quo</i>	<ul style="list-style-type: none"> • Inadequate capacity and quality of classrooms whilst staff bases are cramped, poorly equipped and remote from teaching areas (PC & AST) • No composite workshop plus other workshops in disparate locations at Perth College UHI site and at Scone Airfield (PC & AST) • Existing facilities are fully utilised, preventing further growth (TA) • Training demand exceeds capacity, in all disciplines (engineers, pilots, air traffic control) (PC, AST & TA) • Demise of airline sponsored pilot training programmes and shift towards self-funded training has caused a worsening age profile for pilots, with risk of increased shortages as retiral rate exceeds new entrants, yet training capacity constraints limits action to address the issue (TA)
Potential Scope	<ul style="list-style-type: none"> • Investment in additional higher quality training classrooms and workshops, together with new support function facilities will remove capacity bottlenecks and mismatch with competitors

<p><i>What is needed to overcome these problems</i></p>	<ul style="list-style-type: none"> • Investment in 21st century training aids, including digitisation of materials and increased use of simulation, to improve effectiveness and attractiveness of instructing & teaching • Development of degree programmes allowing increased fee-free participation and / or student loan funding for by Scottish and RUK students (PCUHI, AST & TA)
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Investment Objective	Develop and sustain educational pathways for the aviation, renewable and clean energy industries delivered in the Tayside region for the regional, national and global industry
<p>Existing Arrangement 'the status quo'</p>	<ul style="list-style-type: none"> • World-wide renowned Part 147 / Part 66 licensed engineering courses are delivered in Perth, meeting all requirements of the European Union Aviation Safety Agency (EASA) (AST) • Perth College UHI provides courses in engineering from SCQF Level 4 through 10. • Perth College UHI provides opportunities for school pupils to undertake engineering courses whilst still at school including Foundation Apprenticeship.
<p>Business Need Problems with the status quo</p>	<ul style="list-style-type: none"> • The non-degree Part 66 licensed engineer programme is ineligible for SG or UKG grants or loan funding.....creating an economic barrier (approx £22k) to potential aviation sector entrants (AST) • For AST, between September 2014 and March 2019 of 154 AST approved course students trained at Perth, just 28 (18%) came from the UK, of which 7 (4.4%) came from Scotland. Of those 7, 2 were on full AST scholarships • Demise of airline funded pilot training schemes means there is now a significant (approx £100k) economic barrier to becoming a pilot, limiting access to those with access to funds, rather than selecting on academic merit, attitude or other criteria (TA) • Restrictions on both workshop and classroom availability mean ambitions to provide a full pathway from S3 through S6 are not possible, neither is a specialist Foundation Apprenticeship in Engineering (Aircraft specific)

	<ul style="list-style-type: none"> Restrictions on VC availability mean rural schools often miss out on opportunities to participate in other curriculum.
<p>Potential Scope</p> <p>What is needed to overcome these problems</p>	<ul style="list-style-type: none"> Developing degree level programmes, incorporating the regulatory requirements for licensed engineers or pilots, as applicable, will ensure that funding streams including free fees and student loans become available for potential licensed engineers and pilots. (PC, AST & TA) It is anticipated this will significantly increase both Scottish and UK participation in the courses at Perth and Dundee (PC, AST & TA) New programmes designed to engage school pupils in STEM can be developed and hosted VC facilities will provide the opportunity to increase the provision to rural schools matched with Perth and Kinross Council ambitions to facilitate distance and VC capabilities between schools and college.

Investment Objective	Upskill the current aviation workforce by delivering opportunities for continuous lifelong learning and development focused on future industry needs
<p>Existing Arrangement</p> <p><i>'the status quo'</i></p>	<ul style="list-style-type: none"> Modular courses are offered alongside the full 89 week Part 66 programme and are targeted at those working in aviation who are looking to upgrade their qualifications, perhaps transitioning from mechanic / technician to licensed engineer status. Completion of all modules and exams will allow a Part 66 certificate to be issued (AST) Students can be employed or contractors in the private sector, or ex-service personnel, transitioning from military to civil employment & qualification regime CPD requirements from industry are facilitated around core delivery owing to a lack of capacity and facilities. CPD requirements for new technology such as composites are currently referred to other provider's out with the area and often out with Scotland.
<p>Business Need</p>	<ul style="list-style-type: none"> Modular courses are expensive plus students forego earnings during training, unless they are sponsored by an employer or are ex-services, accessing transitional training allowances. (AST)

<i>Problems with the status quo</i>	<ul style="list-style-type: none"> • Flexible provision including alternative methods of delivery such as distance, online, VC, blended and flipped classroom to be delivered when demanded by industry • The growing diversity and mobility of aviation personnel will require instructors to have cross-cultural, cross-generational, and multilingual skills to engage with tomorrow's workforce. • Up to date facilities developed to meet the emerging needs of industry
Potential Scope <i>What is needed to overcome these problems</i>	<ul style="list-style-type: none"> • Providing enhanced local training facilities at Perth will increase the opportunity for those working at the Scottish airports to access training whilst perhaps being able to continue living at their homes and / or supplement incomes during studying by continued work at the airports / MRO centres (AST) • The AAS will provide facilities to enable the respective organisations to be proactive in meeting industry needs.

Investment Objective	It will create opportunities for synergies and joint working, in the development of meta-skills and project led learning, between industry and education
Existing Arrangement <i>'the status quo'</i>	<ul style="list-style-type: none"> • The 'offering' to the Aviation industry is disparate with industry having to deal with numerous providers • Current delivery focuses on formal learning with projects and industry engagement as a bolt on.
Business Need <i>Problems with the status quo</i>	<ul style="list-style-type: none"> • Industry requires a cohesive and adaptive facility for the provision of all its training needs • The growing diversity and mobility of aviation personnel will also require instructors to have cross-cultural, cross-generational, and multilingual skills to engage with tomorrow's workforce. • Industry requires graduates at all levels to have a base set of skills to include; self management, social intelligence and innovation.
Potential Scope	<ul style="list-style-type: none"> • The AAS will provide a one stop shop for the industry specialising in pilot training, engineering and air traffic control with the ability to deliver in other areas such as cabin crew.

<i>What is needed to overcome these problems</i>	<ul style="list-style-type: none"> • New facilities will create capacity for project working in order to develop the meta skills demanded by industry • The AAS project board will act as an advisory board ensuring that developments met industry demand.
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Investment Objective	Develop innovative training solutions to enable optimum learning and knowledge retention
Existing Arrangement <i>'the status quo'</i>	<ul style="list-style-type: none"> • European demand for Captains (those with greater than 2500 hours) is over 3,500 per year. The TA Airline Pilot Programme delivers Captains in under half the time of our competitors due to them leaving with much higher hours. (TA) • PCUHI deliver via a variety of different methods including; online, VC, distance learning and flipped classroom
Business Need <i>Problems with the status quo</i>	<ul style="list-style-type: none"> • Immersive technologies, adaptive learning, schedule flexibility, and new teaching methods will be needed to effectively meet a wide range of learning styles. • The growing diversity and mobility of aviation personnel will also require instructors to have cross-cultural, cross-generational, and multilingual skills to engage with tomorrow's workforce. • Mobile and distance learning solutions are required as a flexible alternative to traditional classroom instruction. • New technologies such as augmented reality are required as a way to improve engagement and knowledge retention.
Potential Scope <i>What is needed to overcome these problems</i>	<ul style="list-style-type: none"> • The AAs will make provision for augmented reality to supplement and enhance training capacity and knowledge retention • Enhanced industry engagement through the AAS will allow for the development of cross-disciplinary skills and training.

Investment Objective	Support increased internationalisation, productivity and R&D of aviation and clean technology companies in the region
Existing Arrangement <i>'the status quo'</i>	<ul style="list-style-type: none"> • Tayside Aviation receives around 20% of its commercial pilot training requests from overseas. They have also had two corporate approaches from China – one from a major Chinese airline and the other from a Flight Training Provider, both wanting to engage on support for their requirements for ab-initio pilot training. (TA) • PC UHI currently delivers its engineering degree programmes in China and now has Chinese Ministry of Education approval to commence recruitment to the BEng Aircraft Engineering programme in Zhengzhou, a leading University in Aircraft engineering academic studies and research.
Business Need <i>Problems with the status quo</i>	<ul style="list-style-type: none"> • Due to the capacity restraints in the current footprint TA has been unable to progress the Chinese prospects. There is no spare capacity and TA therefore cannot tap into the huge international demand that is out there for its services. • TA require to double its current classroom space to enable it to engage with those current international clients • There is increasing demand for transnational education programmes when contextualised to the 'home' market. However there is an associated desire to complete academic studies such as Masters in the U.K.
Potential Scope <i>What is needed to overcome these problems</i>	<ul style="list-style-type: none"> • The increase in capacity in AAS Dundee will create a worldwide centre of excellence for Commercial Pilot Training. • The AAS in Dundee will provide suitable space for a dedicated UK CAA exam centre which has been approved for the new building. • The additional capacity delivered by the AAS will lead to an increase in international student numbers

Appendix 3.2

Benefits Realisation Plan

The aim of the BRP is to ensure that the intended benefits from the project are delivered and that the resources allocated to the project are fully utilised. The BRP is also intended to demonstrate how the investment in this project is contributing to overall improvement for the partners in the project. All partners will be able to track whether intended benefits have been realised and sustained after the end of the project. Furthermore, it helps to ensure a clear signposting of who is responsible for the delivery of those benefits.

The BRP will be reviewed and updated throughout the project and this process will be continued at regular intervals once the project has been completed. It will form part of the ongoing performance monitoring of the Aviation Academy for Scotland. This will allow all partners to monitor the changes made as a result of the project and if necessary enable corrective action to be taken to ensure that the original benefits are being achieved.

The format of the BRP is structured around the 6 Investment Objectives highlighted within the Strategic Case and considers; stakeholder impact, benefit, relative value, relative timescale and the type of measurable benefit it will provide..

On the basis that the proposed service model is put in place, the following identifies the key benefits likely to be attributable to achievement of each investment objective:

Investment Objective: Provide World Class Training				
Stakeholder	Benefit	Relative Value	Relative Timescale	Type
Aviation Industry	<ul style="list-style-type: none"> Access to a pool of work ready candidates 	High	Medium & Longer Term	Qualitative & Quantitative
	<ul style="list-style-type: none"> Reduced skills gap 	High	Medium & Longer Term	Qualitative & Quantitative

	<ul style="list-style-type: none"> • Access to training that truly meets the demands of industry 	High	Short & Medium Term	Quantitative
Higher Education Institutes	<ul style="list-style-type: none"> • Increased Industry links 	High	Short Term	Qualitative
	<ul style="list-style-type: none"> • Increased diversity in the student body 	High	Medium & Longer Term	Quantitative
	<ul style="list-style-type: none"> • Access to high quality facilities 	High	Short	Qualitative
Further Education Institutes	<ul style="list-style-type: none"> • Increased industry links 	High	Short Term	Qualitative
	<ul style="list-style-type: none"> • Increased diversity in the student body 	High	Medium & Longer Term	Quantitative
	<ul style="list-style-type: none"> • Access to high quality facilities 	High	Short Term	Qualitative
Workforce	<ul style="list-style-type: none"> • More career opportunities both in the UK and internationally 	High	Medium & Longer Term	Qualitative & Quantitative
	<ul style="list-style-type: none"> • Up-skilling 	High	Medium & Longer Term	Qualitative & Quantitative
Students	<ul style="list-style-type: none"> • Early links to employers hands on practical learning 	Medium	Medium	Qualitative & Quantitative
	<ul style="list-style-type: none"> • Project led learning 	Medium	Medium	Qualitative & Quantitative
Communities	<ul style="list-style-type: none"> • Increased diversity in the region 	Medium	Longer Term	Quantitative
	<ul style="list-style-type: none"> • Growth of the local economy 	High	Medium to Longer Term	Quantitative

Government	<ul style="list-style-type: none"> Greater productivity 	Medium	Medium to Longer Term	Quantitative
	<ul style="list-style-type: none"> More tax and rates income 	Medium	Medium to Longer Term	Quantitative
	<ul style="list-style-type: none"> Reduced skills gap 	High	Medium to Longer Term	Qualitative & Quantitative

Investment Objective: Develop and sustain educational pathways for the aviation, renewable and clean energy industries delivered in the Tayside region for the regional, national and global industry

Stakeholder	Benefit	Relative Value	Relative Timescale	Type
Aviation Industry	<ul style="list-style-type: none"> Access to a pool of work ready candidates 	High	Medium & Longer Term	Qualitative & Quantitative
	<ul style="list-style-type: none"> Reduced skills gap 	High	Medium & Longer Term	Qualitative & Quantitative
	<ul style="list-style-type: none"> Access to training that truly meets the demands of industry 	High	Short & Medium Term	Quantitative
Higher Education Institutes	<ul style="list-style-type: none"> Enhanced offer to students 	High	Short & Medium Term	Qualitative & Quantitative
	<ul style="list-style-type: none"> Opportunity to develop Graduate Level Apprenticeships 	High	Short & Medium Term	Quantitative
Further Education Institutes	<ul style="list-style-type: none"> Enhanced offer to students 	High	Short & Medium Term	Qualitative & Quantitative
	<ul style="list-style-type: none"> Opportunity to develop further Modern 	High	Short & Medium Term	Quantitative

	<p>Apprenticeship training places</p> <ul style="list-style-type: none"> • Opportunity to develop specialist Foundation Apprenticeships in Aircraft Engineering • Enhanced offering to school pupils, giving a unique insight to the aviation industry 	High	Medium & Longer Term	Quantitative
		High	Short Term	Qualitative & Quantitative
Workforce	<ul style="list-style-type: none"> • More career opportunities both in the UK and internationally • Better paid jobs • Up-skilling • Increased number of high-value jobs in the Tayside Region 	High	Medium & Longer Term	Qualitative & Quantitative
		High	Medium & Longer Term	Quantitative
		High	Medium & Longer Term	Qualitative & Quantitative
		High	Medium & Longer Term	Quantitative
Students	<ul style="list-style-type: none"> • Early links to employers hands on practical learning • Project led learning • Enhanced learning and experiential routes to careers • Opportunity to undertake aviation study whilst still at school 	Medium	Medium	Qualitative & Quantitative
		Medium	Medium	Qualitative & Quantitative
		High	Short	Qualitative
		High	Medium	Qualitative & Quantitative

Communities	<ul style="list-style-type: none"> • More career opportunities both UK and Internationally 	High	Short to Medium Term	Qualitative
	<ul style="list-style-type: none"> • Increased number of high-value jobs in the Tayside region 	High	Medium & Longer Term	Quantitative
	<ul style="list-style-type: none"> • Increased diversity in the region 	Medium	Longer Term	Quantitative
	<ul style="list-style-type: none"> • Growth of the local economy 	High	Medium to Longer Term	Quantitative
Government	<ul style="list-style-type: none"> • More new start ups 	Medium	Medium to Longer Term	Quantitative
	<ul style="list-style-type: none"> • Greater productivity 	Medium	Medium to Longer Term	Quantitative
	<ul style="list-style-type: none"> • More tax and rates income 	Medium	Medium to Longer Term	Quantitative

Investment Objective: Upskill the current aviation workforce by delivering opportunities for continuous lifelong learning and development focused on future industry needs

Stakeholder	Benefit	Relative Value	Relative Timescale	Type
Aviation Industry	<ul style="list-style-type: none"> • Reduced skills gap • Access to training that truly meets the demands of industry 	High	Medium & Longer Term	Qualitative & Quantitative
		High	Short & Medium Term	Quantitative

	<ul style="list-style-type: none"> • Unique and innovative cross-disciplinary training of candidates 	High	Medium Term	Qualitative
Higher Education Institutes	<ul style="list-style-type: none"> • Opportunity to develop Graduate Level Apprenticeships 	High	Short & Medium Term	Quantitative
	<ul style="list-style-type: none"> • Increased Industry links 	High	Short Term	Qualitative
	<ul style="list-style-type: none"> • Access to high quality facilities 	High	Short	Qualitative
Further Education Institutes	<ul style="list-style-type: none"> • Opportunity to develop further Modern Apprenticeship training places 	High	Short & Medium Term	Quantitative
	<ul style="list-style-type: none"> • Increased industry links 	High	Short Term	Qualitative
	<ul style="list-style-type: none"> • Access to high quality facilities 	High	Short Term	Qualitative
Workforce	<ul style="list-style-type: none"> • More career opportunities both in the UK and internationally 	High	Medium & Longer Term	Qualitative & Quantitative
	<ul style="list-style-type: none"> • Better paid jobs 	High	Medium & Longer Term	Quantitative
	<ul style="list-style-type: none"> • Up-skilling 	High	Medium & Longer Term	Qualitative & Quantitative
	<ul style="list-style-type: none"> • Increased number of high-value jobs in the Tayside Region 	High	Medium & Longer Term	Quantitative

Students	<ul style="list-style-type: none"> Enhanced career pathways 	High	Short	Qualitative
Communities	<ul style="list-style-type: none"> More career opportunities both UK and Internationally 	High	Short to Medium Term	Qualitative
	<ul style="list-style-type: none"> Increased number of high-value jobs in the Tayside region 	High	Medium & Longer Term	Quantitative
	<ul style="list-style-type: none"> Growth of the local economy 	High	Medium to Longer Term	Quantitative
Government	<ul style="list-style-type: none"> Business growth 	High	Medium to Longer Term	Quantitative
	<ul style="list-style-type: none"> More new start ups 	Medium	Medium to Longer Term	Quantitative
	<ul style="list-style-type: none"> Greater productivity 	Medium	Medium to Longer Term	Quantitative
	<ul style="list-style-type: none"> More tax and rates income 	Medium	Medium to Longer Term	Quantitative

Investment Objective: It will create opportunities for synergies and joint working, in the development of meta-skills and project led learning, between industry and education

Stakeholder	Benefit	Relative Value	Relative Timescale	Type
Aviation Industry	<ul style="list-style-type: none"> Access to a pool of work ready candidates 	High	Medium & Longer Term	Qualitative & Quantitative
	<ul style="list-style-type: none"> Reduced skills gap 	High	Medium & Longer Term	Qualitative & Quantitative
	<ul style="list-style-type: none"> Access to training that truly meets the demands of industry 	High	Short & Medium Term	Quantitative

	<ul style="list-style-type: none"> • Unique and innovative cross-disciplinary training of candidates • Enhanced offer to students, developing the right skills for the industry • Developing the right skills for future development- flexible 	High	Medium Term	Qualitative
		High	Short & Medium Term	Qualitative & Quantitative
		High	Short & Medium Term	Qualitative & Quantitative
Higher Education Institutes	<ul style="list-style-type: none"> • Enhanced offer to students • Increased Industry links 	High	Short & Medium Term	Qualitative & Quantitative
		High	Short Term	Qualitative
Further Education Institutes	<ul style="list-style-type: none"> • Enhanced offer to students, developing the right skills for the industry • Developing the right skills for future development- flexible 	High	Short & Medium Term	Qualitative & Quantitative
		High	Short & Medium Term	Qualitative & Quantitative
Workforce	<ul style="list-style-type: none"> • More career opportunities both in the UK and internationally • Up-skilling 	High	Medium & Longer Term	Qualitative & Quantitative
		High	Medium & Longer Term	Qualitative & Quantitative
Students	<ul style="list-style-type: none"> • Early links to employers hands on practical learning • Project led learning • Enhanced career pathways 	Medium	Medium	Qualitative & Quantitative
		Medium	Medium	Qualitative & Quantitative
		High	Short	Qualitative

	<ul style="list-style-type: none"> Developing the right skills for future development- flexible Enhanced offer to students, developing the right skills for the industry 	High	Short & Medium Term	Qualitative & Quantitative
		High	Short & Medium Term	Qualitative & Quantitative
Communities	<ul style="list-style-type: none"> More career opportunities both UK and Internationally Increased diversity in the region Growth of the local economy 	High	Short to Medium Term	Qualitative
		Medium	Longer Term	Quantitative
		High	Medium to Longer Term	Quantitative
Government	<ul style="list-style-type: none"> Business growth Greater productivity More tax and rates income 	High	Medium to Longer Term	Quantitative
		Medium	Medium to Longer Term	Quantitative
		Medium	Medium to Longer Term	Quantitative

Investment Objective: Develop innovative training solutions to enable optimum learning and knowledge retention

Stakeholder	Benefit	Relative Value	Relative Timescale	Type
Aviation Industry	<ul style="list-style-type: none"> Reduced skills gap 	High	Medium & Longer Term	Qualitative & Quantitative
	<ul style="list-style-type: none"> Access to training that truly meets the demands of industry 	High	Short & Medium Term	Quantitative

	<ul style="list-style-type: none"> • Unique and innovative cross-disciplinary training of candidates 	High	Medium Term	Qualitative
Higher Education Institutes	<ul style="list-style-type: none"> • Enhanced offer to students • Opportunity to develop Graduate Apprenticeships • Increased Industry links 	High High High	Short & Medium Term Short & Medium Term Short Term	Qualitative & Quantitative Quantitative Qualitative
Further Education Institutes	<ul style="list-style-type: none"> • Enhanced offer to students • Opportunity to develop further Modern Apprenticeship training places • Opportunity to develop specialist Foundation Apprenticeships in Aircraft Engineering • Increased industry links 	High High High High	Short & Medium Term Short & Medium Term Medium & Longer Term Short Term	Qualitative & Quantitative Quantitative Quantitative Qualitative
Workforce	<ul style="list-style-type: none"> • More career opportunities both in the UK and internationally • Better paid jobs • Up-skilling 	High High High	Medium & Longer Term Medium & Longer Term Medium & Longer Term	Qualitative & Quantitative Quantitative Qualitative & Quantitative
Students	<ul style="list-style-type: none"> • Early links to employers hands on practical learning 	Medium	Medium	Qualitative & Quantitative

	<ul style="list-style-type: none"> • Project led learning • Enhanced career pathways • Opportunity to undertake aviation study whilst still at school 	Medium High High	Medium Short Medium	Qualitative & Quantitative Qualitative Qualitative & Quantitative
Communities	<ul style="list-style-type: none"> • More career opportunities both UK and Internationally • Growth of the local economy 	High High	Short to Medium Term Medium to Longer Term	Qualitative Quantitative
Government	<ul style="list-style-type: none"> • Business growth • Greater productivity • More tax and rates income 	High Medium Medium	Medium to Longer Term Medium to Longer Term Medium to Longer Term	Quantitative Quantitative Quantitative


Investment Objective: Support increased internationalisation, productivity and R&D of aviation and clean technology companies in the region

Stakeholder	Benefit	Relative Value	Relative Timescale	Type
Aviation Industry	<ul style="list-style-type: none"> • Reduced skills gap 	High	Medium & Longer Term	Qualitative & Quantitative
Higher Education Institutes	<ul style="list-style-type: none"> • Enhanced offer to students • Opportunity to develop Graduate Apprenticeships 	High High	Short & Medium Term Short & Medium Term	Qualitative & Quantitative Quantitative

Further Education Institutes	<ul style="list-style-type: none"> Enhanced offer to students Access to high quality facilities 	High High	Short & Medium Term Short Term	Qualitative & Quantitative Qualitative
Workforce	<ul style="list-style-type: none"> Increased number of high-value jobs in the Tayside Region 	High	Medium & Longer Term	Quantitative
Students	<ul style="list-style-type: none"> Early links to employers 	Medium	Medium	Qualitative & Quantitative
Communities	<ul style="list-style-type: none"> More career opportunities both UK and Internationally Increased number of high-value jobs in the Tayside region Growth of the local economy 	High High High	Short to Medium Term Medium & Longer Term Medium to Longer Term	Qualitative Quantitative Quantitative
Government	<ul style="list-style-type: none"> Business growth More new start ups Greater productivity More tax and rates income 	High Medium Medium Medium	Medium to Longer Term Medium to Longer Term Medium to Longer Term Medium to Longer Term	Quantitative Quantitative Quantitative Quantitative

Appendix 4.1

Long list of options table

Option 	Appraisal	Shortlist
A – DO NOTHING <i>Status quo at both Perth and Dundee</i>	<ul style="list-style-type: none"> • Growth of the sector in the region would be significantly reduced whilst not halted • Training will be provided outside the region therefore jobs and workforce will move out with the region • New skills development would lack practical edge • Demand for skills will continue to outweigh the supply 	YES, include as baseline option
B- Creation of one new facility at Dundee	<ul style="list-style-type: none"> • Growth in the number of pilot training places • Service solution could be developed to create some(limited) growth in engineering numbers • Space within existing premises is already at a premium 	YES
C- Creation of one new facility at Perth	<ul style="list-style-type: none"> • Growth in the number of engineering training places • No growth in pilot training places • Space within existing premises is already at a premium 	YES
D – dual site Aviation Academy for Scotland	<ul style="list-style-type: none"> • Ability to immediately offer provision that meets the needs of the whole aviation industry • With all three partners involved in the creation of the AAS, there will be full sharing of all information without issue whilst still being compliant with GDPR. Fully integrated. Joint programmes providing skills, knowledge and competence • Increased design and construction costs owing to two new builds as opposed to one. 	YES

	<p><u>Perth College UHI and AST</u></p> <ul style="list-style-type: none"> • Strong HEI capability and capacity • Already hold accreditation for Degrees and Masters programmes from IET and RAeS • Already European Aviation Safety Agency (EASA) Part 147 approved • Existing investment already made shows commitment and brings capability to a level higher than anywhere else in Scotland • Good central location for wider Scotland • Land available and already serviced • As AST is a wholly owned subsidiary of PC there will be full sharing of all information without issue. Fully integrated. Joint programmes providing skills, knowledge and competence • Strong industry links <p><u>Tayside Aviation at Dundee Airport</u></p> <ul style="list-style-type: none"> • Strong industry links • Existing capability to deliver pilot training • Approved degrees through Middlesex University for Pilot Training • Opportunity to create new build or renovate old building • Existing customer of AST 	
<p><i>E- PLACE NEW EQUIPMENT AT AN EXISTING SITE I.E. No new build</i></p>	<ul style="list-style-type: none"> • Space within existing premises is already at a premium • Location of the equipment and facilities in existing buildings would result in displacement of other provision, impacting both aviation and non-aviation training sectors 	NO
<p><i>F- BUILD ELSEWHERE IN SCOTLAND</i></p>	<ul style="list-style-type: none"> • Edinburgh and Glasgow both have a strong case as a site given existing International Airports and surrounding industry. However, they lack the combined skills and expertise offered by AST, UHI and Tayside Aviation at Perth and Dundee. Airspace around Glasgow and Edinburgh is already congested and as such these airports are far more 	NO

	<p>restricted in their opportunities. Housing and land are far more expensive both for prospective student and for building the new facility</p> <ul style="list-style-type: none"> • Perth Airport could be a viable option however the land is owned by a Private company and therefore the facilities would never be owned by the partnership leading to sustained rental costs and exposure to future increases • Moray, there is a current project submission as part of the Moray Growth Deal for an Aerospace and Advanced Technologies Academy in Moray with Boeing as a key partner. Whilst this academy will support the Moray and Northern Highlands communities it is not expected that the location will draw students wishing to study aviation subjects away from the Central and Tayside region. It is intended that AST will provide the UKCAA and EASA approvals for Moray, whilst UHI will provide relevant degree courses • The Ayrshire Growth Deal anticipates an aviation engineering academy at Prestwick Airport, utilising capability from Ayrshire College who currently offer some aviation engineering courses, including apprenticeship programmes, plus support from industry partners on the airport. AST currently provides training to some Prestwick based organisations. It is anticipated that AST will provide early years UKCAA and EASA approvals to enable the academy to start operation sooner. Leuchars station, the future use and development of Leuchars station is still being reviewed by the MOD. Tayside Aviation currently operate out of Leuchars Station owing to the training of air cadets. Pilot training within the current facilities in Dundee is already at operating at capacity, delay in the creation of new pilot training facilities whilst awaiting the output of this review will lead to pilot training being offered out with the region 	
G- CREATE SINGLE SITE LOCATION IN TAYSIDE	<ul style="list-style-type: none"> • Location in one of the major cities e.g. either Dundee or Perth would reduce the positive impact of a dual-city bid, with the project then becoming either Perth or Dundee centric • Dundee <ul style="list-style-type: none"> ○ with a regional airport and access to less restricted airspace along with Tayside Aviation's licenced pilot training school in conjunction with available and cheaper (than Edinburgh or Glasgow) local housing and land could be an option 	YES

	<ul style="list-style-type: none"> ○ However with regards to aircraft engineering, air traffic control and airport operations there are no existing approvals or accreditations for this provision within any of the Colleges, Universities or any other training organisation in Dundee ○ Primary or second site approval from UKCAA or EASA would need to be sought causing a delay in the provision ○ Location of the facilities at Dundee airport would lead to the displacement of engineering skills development from Perth owing to the large scale crossover between Aircraft engineering and more generic engineering provision. To avoid displacement would result in the duplication of facilities and equipment resulting in higher costs ● Perth <ul style="list-style-type: none"> ○ The Perth UHI and main AST site at Perth does not have a runway, so an existing AST satellite site at Scone (Perth) Airfield would require expansion to accommodate pilot training ○ Scone Airfield is privately owned land so the facilities would never be owned by AAS partners, leading to sustained rental costs and exposure to future rent increases, tenancy risk etc. There is currently another private flight training school at Scone airport, it would be unviable to locate to flight training schools within the same location 	
<p><i>H- WORK WITH THE PRIVATE SECTOR TO CREATE FACILITIES FOR TRAINING IN SCOTLAND</i></p>	<ul style="list-style-type: none"> ● No desire from the private sector to create and fully fund such facilities in Scotland ● Private sector want to buy in the skilled person, evidenced by reduction in employee funded training, including cadetships ● Students, particularly those seeking degree programmes, unlikely to be able to access private commercial facility sufficiently for learning purposes. 	NO

Appendix 4.2

Short list of options table

	Key Positive Effects	Key Negative Effects
A - Do nothing – Status quo at both Perth and Dundee	None	<ul style="list-style-type: none"> - No additional capacity at either Perth or Dundee - Courses continue to be delivered in less than C21st standard facilities - No composites workshop - Potential loss of revenue to other UK or overseas providers
B - Creation of one new facility at Dundee	<ul style="list-style-type: none"> + Increased pilot training by Tayside Aviation + Airport footprint 'cleaned up', allowing future airport development 	<ul style="list-style-type: none"> - No opportunity for AST or Perth UHI to develop business / grow student numbers - Risk of lost business to other Scottish and UK facilities, particularly those with new-build plans
C - Creation of one new facility at Perth	<ul style="list-style-type: none"> + Increased engineer & ATC training by Perth UHI and AST at Perth 	<ul style="list-style-type: none"> - No opportunity for Tayside Aviation to develop business / grow student numbers - Risk of losing business to other providers - Could prompt Tayside Aviation to seek growth at other Scottish locations, impacting revenues in Tayside
D - Dual Site Aviation Academy for Scotland	<ul style="list-style-type: none"> + Allows Perth UHI, AST and Tayside Aviation to grow businesses / increase student numbers 	<ul style="list-style-type: none"> - Perpetuates 2 site location in Tayside - Less impactful than a single large facility

	<ul style="list-style-type: none"> + Development at current home bases, so easier to incrementally add staff and other resources as demand grows + Ensures no displacement of engineering from Perth area + Ensures both Perth & Dundee see economic and social benefit from Tay Cities Deal investment in AAS 	
G - Create Single Site Location in Tayside	<ul style="list-style-type: none"> + Creates an impactful “flagship” facility for AAS + Allows more economic use of shared facilities (eg reception, catering) + 	<ul style="list-style-type: none"> - Means either Perth or Dundee lose out on Tay Cities Deal investment in AAS - Preferred location probably Dundee Airport, but no history of aeronautical engineering delivery in Dundee colleges - Relocation costs of moving AST & Perth College UHI staff & tooling to Dundee - Requires all new approvals from UKCAA or EASA - Displacement of engineering provision from the Perth area

Appendix 4.3

Summary of Outcomes Targets

Please see Separate Attachments

Appendix 6

Income & Expenditure Profile Summary

Please see Separate Attachments

Appendix 7.1

Governance Roles and Responsibilities

Board/Team/Role	Name/Organisation	Responsibilities
Project Board (Directing)	Principal & Chief Executive (PC UHI) Depute Principal - Academic (PC UHI) Vice Principal (<i>External Engagement</i>) (PC UHI) Associate Principal Curriculum (PC UHI) Director (TA) Managing Director (TA) Vice-Principal (<i>Strategic Developments</i>) (UHI) Head of Finance (PC UHI) General Manager (AST) <i>Industry Representative (TBC)</i>	<ul style="list-style-type: none"> • To be accountable for the success or failure of the project • To monitor the overall progress of the project, approve major plans and approve key decisions • To champion the project as appropriate and balance the demands of the business, user and supplier • To ensure that the project takes account of and interfaces with existing good practice elements of project management • To highlight changes to partner strategy or the external environment which might impact on the project's scope or viability • To ensure that adequate ownership and sponsorship are provided to the project at a senior management level • To identify resource needs and support the Project Lead in ensuring that appropriate resources are made available • Assist the Project Lead and Project Team in decision-making and on-going progress of the project, including authorising commencement of phases in the project, changes and completion of each phase • Approve all budgets and tolerances for time, quality and cost along with reporting and monitoring requirements

		<ul style="list-style-type: none"> • Resolve issues which need the agreement of senior stakeholders to ensure progress of programme • Input into Post Project Evaluation • Provide resource and guidance as required for issues escalated from the Project Team • Provide direction guidance and resource for external media, government and other external interfaces
Project Team (Managing)	Project Lead/Sector Development Director (PC UHI) Project and Planning Manager (PC UHI) Head of Finance (PC UHI) Head of Estates (PC UHI) General Manager (AST) Accountable Manager/Senior Business Manager (AST) Director (TA) Recruitment Manager (TA)	<ul style="list-style-type: none"> • To take ownership of project risks and resolve areas of conflict • Be accountable for the achievement of the project objectives and the delivery of project benefits • Management of the overall budget, including payment mechanisms • Plan and design the programme • Ensuring delivery of capability and outputs e.g. delivery of infrastructure works • Manage the spend profile for the project • Responsibility for compliance with financial controls and other regulations • Ensuring that resources with necessary skills are made available to the project • Ensuring that risks identified in the Risk Register are considered and understood by the Project Board

		<ul style="list-style-type: none"> • Input into Post Project Evaluation • Ensure adequate communication mechanisms exist between the Project, external organisations and the Board • Agreeing time, cost, quality and environmental sustainability criteria and tolerances in conjunction with the Project Board • Monitor strategic risks and ensure appropriate governance is in place • Ensures that the role of project ownership is established and understood • Maintain alignment of the programme with strategic direction (e.g. with relevant strategy documents) • Owning the overall business change that is being supported by the project • Report back to the Individual Partner boards as appropriate on the progress of the project
Project Lead	Sector Development Director (PC UHI)	<ul style="list-style-type: none"> • Take the ultimate responsibility for all delivery related aspects of the project, including ensuring that the objectives are met and benefits are realised and communicated to the Project Board • Defining and promoting the major business aims, priorities and intended benefits of the project • Oversees and has responsibility for the progress and delivery of the Project on a day to day basis

		<ul style="list-style-type: none"> • Maintains visible and sustained commitment to the project • Ensures that the business case remains valid
Project Manager	Project and Planning Manager (PC UHI)	<ul style="list-style-type: none"> • To provide the day-to-day point of contact between the Project Team and all Delivery Teams • Management of communications with stakeholders • Provide regular updates on progress to the Project Lead, Project Team and Project Board as required • Engage, manage and monitor consultants, contractors and suppliers necessary for the completion of the project in conjunction with the Project Lead and Project Team • Run and coordinate all governance arrangements concerned with the project • Develop and manage all project documentation
Senior Users	Principal & Chief Executive (PC UHI) – <i>PC UHI Board User</i> Depute Principal - Academic (PC UHI) – <i>PC UHI Board User</i> Vice Principal (<i>External Engagement</i>) (PC UHI) – <i>PC UHI Board User</i> Associate Principal Curriculum (PC UHI) – <i>PC UHI Board User</i>	<ul style="list-style-type: none"> • Ensuring that users are involved at appropriate stages of the project and ensuring that they can provide feedback to the project • Resolving user queries and prioritising user change requests • Advising on the impact of any change requests on behalf of users • Securing a user resource of appropriate skill levels for the project

	<p>General Manager (AST) – <i>AST Board User</i></p> <p>Head of Finance (PC UHI) – <i>Finance and General Purposes Board User</i></p> <p>Director (TA) – <i>Tayside Aviation Management Team User</i></p>	<ul style="list-style-type: none"> • Briefing and advising users and their managers on all matters concerning the project • Ensuring that user concerns and risks are understood by the Project Board • Ensuring that the project plan is realistic and achievable from a user perspective
Delivery Teams (Delivering)	<p>Consultants/contractors/Internal Leads to be appointed by the Project Board</p>	<ul style="list-style-type: none"> • Ensuring that the delivery objectives/deliverables are clearly specified, agreed and recorded • Ensuring that the project plan is realistic and achievable from a delivery perspective • Advising on impact of change requests from a delivery perspective • Input into Post Project Evaluation
Senior Partners	<p>Vice-Principal (<i>Strategic Developments</i>) (UHI)</p> <p><i>Industry Representative (TBC)</i></p>	<ul style="list-style-type: none"> • To highlight changes to each partners strategy that may have an impact on the project • To provide an ongoing industry knowledge and perspective to the project • To specify the needs (requirements) of the partners that will use the project • To liaise between the Project Board and the partner Boards on progress

		<ul style="list-style-type: none">• To make sure the solution will meet the needs of the partners, especially in terms of quality and ease of use, and against changing partner requirements
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Appendix 7.4

Change Request Form; Aviation Academy for Scotland

Please see Separate Attachments

Appendix 7.5.1

Risk Matrix (for Gross risk)

IMPACT					
5 - Catastrophic	5	10	15	20	25
4 - Major	4	8	12	16	20
3 - Significant	3	6	9	12	15
2 - Minor	2	4	6	8	10
1 - Insignificant	1	2	3	4	5
	1 - Very Rare	2 - Unlikely	3 - Possible	4 - Likely	5 - Almost Certain
	LIKELIHOOD				

Attention should also be paid to risks that are very rare or unlikely that could cause a catastrophic impact.

Appendix 7.5.2

Risk Impact – Criteria

Score	Descriptor	Financial	Operational	Reputational
5 -Catastrophic	<p>A disaster with the potential to lead to:</p> <ul style="list-style-type: none"> • loss of a project partner • loss of project funding 	<p>Large financial loss or lead to likely loss of key partner</p>	<ul style="list-style-type: none"> • Likely loss of key partner or crucial stakeholder • Litigation in progress • Severe customer/student dissatisfaction • Serious quality issues/high failure rates/major delivery problems 	<ul style="list-style-type: none"> • Incident or event that could result in potentially long term damage to AAS's reputation. Strategy needed to manage the incident • Adverse national media coverage • Credibility in marketplace and with stakeholders significantly undermined
4 - Major	<p>A critical event which threatens to lead to:</p> <ul style="list-style-type: none"> • major reduction in project funding • major reduction in resource capacity 	<p>Large financial loss or lead to likely loss of partner</p>	<ul style="list-style-type: none"> • Possible loss of partner and litigation threatened • Major deterioration in quality/ delivery • Customer/Student dissatisfaction 	<ul style="list-style-type: none"> • Incident/event that could result in limited medium – short term damage to AAS's reputation at local/regional level • Adverse local media coverage • Credibility in marketplace/with stakeholders is affected
3 - Significant	<p>A Significant event, such as financial/ operational difficulty in a partner which requires additional</p>	<p>Significant financial loss</p>	<ul style="list-style-type: none"> • General deterioration in quality/delivery but not persistent • Persistence of issue could lead to litigation 	<ul style="list-style-type: none"> • An incident/event that could result in limited short term damage to AAS's reputation and limited to a local level • Criticism in sector or local press • Credibility noted in sector only

	management effort to resolve		<ul style="list-style-type: none"> Customers/Students expressing concern 	
2 - Minor	An adverse event that can be accommodated with some management effort	Overspend over agreed variance	<ul style="list-style-type: none"> Some quality/delivery issues occurring regularly Raised by customers/students but not considered major 	<ul style="list-style-type: none"> Low media profile Problem commented upon but credibility unaffected
1 - Insignificant	An adverse event that can be accommodated through normal operating procedures	Overspend within variance	<ul style="list-style-type: none"> Quality/delivery issue considered one-off Raised by customers/students but action in hand 	<ul style="list-style-type: none"> No adverse publicity Credibility unaffected and goes unnoticed

Appendix 7.5.3

Risk Likelihood - Criteria

Score	Descriptor	Probability
5 - Almost Certain	More than likely – the event is anticipated to occur	>80%
4- Likely	Fairly likely – the event will probably occur	61-80%
3 - Possible	Possible – the event is expected to occur at some time	31-60%
2 - Unlikely	Unlikely – the event could occur at some time	10-30%
1 - Very Rare	Remote – the event may only occur in exceptional circumstances	<10%

Appendix 7.5.4

Project Risk Register - this is a live document during the project

Please see Separate Attachments

Appendix 7.6.2

Key stages of the PPE process

Stage	PPE Evaluation & Requirements	Timing
1	Produce a costed Evaluation Plan which is incorporated into the FBC. This includes: <ul style="list-style-type: none"> • Confirming objectives, benefits and risks of the project • Identifying whether the evaluation will be carried out in house or by an external party • Agreeing participants in the Evaluation Steering Group and Evaluation Team • Costing the process 	Completed before submission of FBC and included within FBC submission
2	Monitor progress and evaluate the project outputs. This includes: <ul style="list-style-type: none"> • Monthly monitoring of key elements of project delivery • Formal reporting at key milestones of the project plan • Production of completion report once construction work has been completed 	Within six to ten weeks of the completion of the buildings
3	Initial post-project evaluation of the service outcomes. This includes: <ul style="list-style-type: none"> • Review of the Project Objectives and BRP to measure the extent to which they have been achieved • Evaluation of the project management and control processes to assess whether they have worked satisfactorily 	Six to eight months after both partners have been operational
4	Follow-up post-project evaluation to assess longer-term service outcomes. This includes:	Between two and three years after both partners have been operational

	<ul style="list-style-type: none">• Training evaluation – whether the models of training has been successfully implemented and maintained• Quality evaluation – whether the anticipated outcomes and benefits have been realised• Overall benefits assessment – whether the full range of projected benefits in the benefits realisation plan have been realised• Financial evaluation – whether the overall costs of the project have remained within budget	
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Appendix 7.7

Risk Potential Assessment (RPA) Form

Please see Separate Attachments

JNC : Support Staff

Note of Meeting held on Thursday 7 March 2019
1.30pm, Room 019, Brahan

Present: Management Representatives

Lorenz Cairns, Depute Principal Academic (Chair)
Jennifer McGillivray, HR Interim

Support Staff Representatives

Winston Flynn, Unison

In Attendance: Andrea Saunders, Head of Finance, for item 2 only

Apologies: Dr Margaret Cook, Principal
Stuart Hope, Unison Branch Secretary
Rob Reed, Unison

Note Taker: Carolyn Sweeney-Wilson

Summary of Action Items

Ref	Action	Responsibility	Timeline
2.	Financial Update AS agreed to circulate a copy of the management accounts to JNC members.	Andrea Saunders	ASAP
4.	Review of Actions / Matters arising not included elsewhere on the Agenda Reporting Facility Time: WF to provide JM with facility time record, from May 2018 to March 2019, in spreadsheet format.	Winston Flynn	ASAP
5.	National Bargaining update WF to provide to provide a timeline of dates of Job Evaluation for the next meeting.	Winston Flynn	Next meeting

Summary of Action Items

Ref	Action	Responsibility	Timeline
6.	<p>Retirement Policy WF to seek feedback from those Unison members close to retirement, if they would like someone from the pension company to speak to them about their pensions and then advise the JNC of the outcome of this feedback at that the next JNC meeting.</p>	Winston Flynn	Next meeting

Minutes

Item		ACTION
1.	<p>Welcome and Apologies</p> <p>Lorenz Cairns (LC) welcomed everyone to the JNC for Support Staff meeting.</p> <p>Apologies were noted.</p>	
2.	<p>Financial Update</p> <p>Andrea Saunders (AS), Head of Finance, gave an update on the current financial status of the College. She advised that the UHI partnership was slightly behind on its targets for receiving ESF funding – the partnership must over deliver on credits across UHI to receive the funding. While PCUHI were on target, a lot of APs were not.</p> <p>The Finance Department were currently completing some mitigation work to ensure budgeting was correct. The pay spend was on target but Finance were also carrying out some work on this to check that these figures were correct.</p> <p>In answer to Winston Flynn's (WF) query, AS said that the College's budget for full year would be a technical deficit, but that the College budget was currently where it was expected to be.</p> <p>Action: AS agreed to circulate a copy of the management accounts to JNC members.</p>	AS
3.	<p>Minutes of the last Meeting</p> <p>The notes of the JNC for Support Staff meeting held on 13 December 2018, having been circulated, were approved as an accurate reflection of the discussions that had taken place.</p>	

Item		ACTION
4.	<p>Review of Actions / Matters arising not included elsewhere on the Agenda</p> <p>Reporting Facility Time</p> <p>WF indicated that Unison reps had completed and submitted this, but due to not having been informed this was required, some of the figures were estimates.</p> <p>Jen McGillivray (JM) said that she had the sheets for 2017-18, but needed the information from April 2018 to present. JM suggested that it might be more beneficial to submit the information on a monthly basis, to save having to do it annually. WF advised that they had recently been submitting the information monthly, on CiPHR, but he was happy to collate the information into a spreadsheet and send it to JM. JM said she would be happy to receive the spreadsheet information covering the period from May 2018 to present day.</p> <p>Action: WF to provide JM with facility time record, from May 2018 to March 2019, in spreadsheet format.</p>	WF
5.	<p>National Bargaining update</p> <p>JM gave an update to advise that HR were still working on pulling together a list of those staff for perminisation, although the deadline had passed for this, there was no detriment to staff at the moment.</p> <p>Holidays: the additional day's holiday for Support Staff was not currently in CIPHR as there was a technical issue with the input of this. However, HR were in communication with CIPHR to get this day added, but it was not an easy fix. WF asked if this was a software issue. JM said it was, but they were talking this through with CiPHR and trying to come to a resolution.</p> <p>WF provide an update on behalf of Unison, to advise that there was an ongoing process of data collection by NJNC regarding job titles/roles within every college. NJNC had also only recently (September 2018) requested details on the number of posts. Once the exercise was finished then questionnaires would be circulated for employees to complete. WF gave an explanation of the process for what would happen after the questionnaires were completed, advising that staff from different colleges would review questionnaires from a college not their own. There would then be an appeals process for those that wished to appeal.</p> <p>JM asked if there was a timeline for completion. WF said the questionnaire would be circulated in the summer and by December it was hoped to have all the questionnaires completed. JM pointed out that term time staff were not working across the summer, so the deadline might need to be extended. WF said this would be taken account of.</p>	

Item		ACTION
6.	<p>LC asked if WF could provide a timeline for this for the next meeting. WF said there should have been a communication to employers regarding dates.</p> <p>WF said it was not yet known what the end date would be as this was a huge exercise that could take anywhere from 3-5 years.</p> <p>Action: WF to provide to provide a timeline of dates of Job Evaluation for the next meeting.</p> <p>Retirement Policy</p> <p>WF said that this was raised as a result of a Unison member wanting to partially retire/work flexibly, but in a way that they could start cashing in their pension. WF then searched for a College policy covering retirement and found that there wasn't one. JM said that the College didn't currently have a retirement policy, however, if the individual wanted to request flexible working, then they could do so by submitting a request through their line manager. Thereafter, the member of staff would need to contact the pension company regarding the matter of cashing out. WF said that the member of staff did contact the pension company, but they required a letter from the College confirming the arrangements.</p> <p>JM said that they could potentially create a procedure for the steps that would be required to be taken, if an individual wanted to take this route. The procedure would, unfortunately, need to be fairly vague as it would be dependent on the individuals' conversations with their pension provider.</p> <p>WF advised that there were other Colleges who had retirement policies and WF then tabled an example of such a policy. JM said that any policy would be dependent on the pension company and, if that company changed, or any other detail about the pension changed, the College would be reliant on the pension company informing the College of these changes, otherwise the policy wouldn't be valid.</p> <p>LC made a suggestion of bringing in someone from the pension company to speak to this year's tranche of people who may be ready to retire. LC suggested WF seek feedback from Unison members and advise, at the next meeting, if this was something that would be helpful.</p> <p>Action: WF to seek feedback from those Unison members close to retirement, if they would like someone from the pension company to speak to them about their pensions and then advise the JNC of the outcome of this feedback at that the next JNC meeting.</p> <p>Pathways</p>	<p>WF</p> <p>WF</p>
7.		

Item		ACTION
8.	<p>JM updated the meeting that conversations had commenced with individuals and one member of staff had already been re-deployed. HR were still looking for re-deployment for 4 other members of staff.</p> <p>WF queried what was happening about the classes. LC said there would be space on the College campus for most leisure classes and it was hoped to have a new programme ready for April/May time. It was noted that some people who use Pathways don't wish to attend classes at the campus and LC said that SMT were looking at other options on campus for these people eg dropping in at Webster, or ASW; SMT were looking to offer alternative options on campus. LC said that SMT had also looked closely at the leisure offering and, what that offer would look like moving forward. However, initially it was likely most classes would still be offered. The aim was to recommence the leisure classes in August/September time.</p> <p>AOCB</p> <p>HR Department: WF advised that Unison members had raised a number of concerns with him about the HR department. In particular concerns around the high staff turnover; the issue of consultants being employed, staff contracts not being issued and, more generally about College staff morale.</p> <p>There was an in-depth discussion regarding these issues and a number of individual staff were mentioned by WF. LC advised that he felt it was inappropriate to pass comment on any individual, but said this was a relatively complex situation. LC acknowledged Unison members concerns and shared those concerns and would feed them back to SMT.</p> <p>Sick Pay: WF noted that sickness absence had increased and questioned what occurred when staff were on a phased return with regard to their sick pay. WF said that some members seemed to have to use their annual leave, rather than be paid sick pay. JM said that if an individual had used up their occupational sick pay, and wished to use their annual leave, then that would be up to the member of staff. JM said it would depend on the individual's length of service, as to what occupational sick pay they would receive, but the minimum they would receive would be 5 weeks full pay and 5 weeks half pay.</p> <p>Finance Department: WF raised a concern, on behalf of some members, regarding a situation that had arisen in the Finance Department. Again, LC advised that it would not be appropriate to comment on individuals, but advised that there were policies and procedures in place for all staff.</p> <p>Staff Survey: WF advised that there was a feeling amongst staff that there should be a staff survey, particularly as morale was low, and a survey had not been conducted in several years. LC said that</p>	

Item		ACTION
9.	<p>the Staff Engagement Group had met today and this matter had just been discussed there. In the past, the survey had been a joint effort amongst the UHI partnership, but this year most UHI partners did not want to take part in a joint survey. The Engagement Group discussed how best to conduct a survey and, as a result, a small working group had been set up to look into this and to report back to the Engagement Group. LC said if any staff had any issues in the meantime, then they should make it known to SMT.</p> <p>E&D Officer: WF asked if the E&D Officer was to be replaced. LC said the E&D plan was not due until 2020, so there was some time yet to decide on the best way forward for this post.</p> <p>Date and time of next meeting:</p> <ul style="list-style-type: none"> • 13th June 2019 <p>All meetings take place on Thursdays, 1.30-3.00pm, in room 019.</p> <p>Meeting End Time</p> <p>The meeting concluded at 14.35.</p>	

JNC : Lecturers

Note of Meeting held on Thursday 7 March 2019
3.00pm, Rm 017, Brahan

Present: **Management Representatives**
Lorenz Cairns, Depute Principal Academic (Chair)
Jennifer McGillivray, HR Interim

Academic Staff Representatives
Sara O'Hagan, EIS-FELA
Declan Gaughan, EIS-FELA

In Attendance: Catherine Etri, Associate Principal
Andrea Saunders, Head of Finance, for item 2 only

Apologies: Dr Margaret Cook, Principal

Note Taker: Carolyn Sweeney-Wilson

Summary of Action Items

Ref	Action	Responsibility	Timeline
2.	Financial Update AS agreed to circulate a copy of the management accounts to JNC members.	Andrea Saunders	ASAP
3.	Minutes of the Last Meeting 25th October 2018 Minute: JM to update the minute of the meeting of 25 th October 2018 and re-circulate the final version to JNC members for approval. 13th December 2018 Minute: CSW to update the minute of 13 th December 2018 and re-circulate the final version to JNC members.	Jen McGillivray Carolyn Sweeney-Wilson	Immediately Immediately

Summary of Action Items

Ref	Action	Responsibility	Timeline
4.	<p>Matters Arising not included elsewhere on the Agenda / Review of Actions</p> <p>Timetabling Protocols: CSW to re-schedule this meeting.</p>	Carolyn Sweeney-Wilson	ASAP
6.	<p>National Bargaining update</p> <p>d. Additional 2 days holiday: All to consider proposals the use of the 2 additional days' holiday for next year and bring these to the next meeting.</p>	All	Next meeting
7.	<p>EIS Items (not noted elsewhere)</p> <p>a. Contracts and pay for temporary/fractional staff/leisure tutors: JM to issue a communication to staff advising them of the current status with regard to the contract situation.</p>	Jen McGillivray	ASAP
9.	<p>AOCB</p> <p>Proposal re Tender for Associates to Supplement Staff Capacity to Deliver Commercial Training: CSW to set-up a meeting with EIS, VL, MC and HR to discuss further the proposal for employing Associate Trainers.</p>	Carolyn Sweeney-Wilson	ASAP

Minutes

Item		ACTION
1.	<p>Welcome and Apologies</p> <p>Lorenz Cairns (LC) welcomed everyone to the JNC for Lecturers meeting.</p> <p>Apologies were noted.</p>	
2.	<p>Financial Update</p> <p>LC advised that Andrea Saunders (AS), Head of Finance, had been called away. As a result AS was not able to return prior to the end of the meeting, so CSW read out the update AS had provided at the earlier JNC for Support Staff, as follows:</p> <p>Andrea Saunders (AS), Head of Finance, gave an update on the current financial status of the College. She advised that the UHI partnership was slightly behind on its targets for receiving ESF funding – the partnership must over deliver on credits across UHI to receive the funding. While PCUHI were on target, a lot of APs were not.</p> <p>The Finance Department were currently completing some mitigation work to ensure budgeting was correct. The pay spend was on target but Finance were also carrying out some work on this to check that these figures were correct.</p> <p>In answer to Unison's query, AS said that the College's budget for full year would be a technical deficit, but that the College budget was currently where it was expected to be.</p> <p>Action: AS agreed to circulate a copy of the management accounts to JNC members.</p> <p>EIS asked if reforecasting had been completed. LC said some data was still to be received, so it was not yet concluded.</p>	<p>AS</p>
3.	<p>Minutes of the Last Meeting</p> <p>25th October 2018 Minute: It had been agreed at the last JNC meeting that Susan Hunter (SH) would re-draft these minutes. Due to SH's absence, this had not been completed and so EIS and Jen McGillivray (JM) went through the tracked-change document, provided by EIS, and discussed updates. JM took notes and undertook to update the minutes and re-circulate the final version to JNC members for approval.</p> <p>Action: JM to update the minute of the meeting of 25th October 2018 and re-circulate the final version to JNC members for approval.</p>	<p>JM</p>

Item		ACTION
	<p>13th December 2018 Minute: EIS noted some minor updates required for this minute, which were noted by CSW.</p> <p>Action: CSW to update the minute of 13th December 2018 and re-circulate the final version to JNC members.</p> <p>Further to these amendments, the notes of the JNC for Lecturers meeting held on 13 December 2018 were approved as an accurate reflection of the discussions that had taken place.</p>	CSW
4.	<p>Matters Arising not included elsewhere on the Agenda / Review of Actions</p> <ul style="list-style-type: none"> • Lecturing Terms and Conditions EIS gave a background explanation for this action, in that SH and EIS were working from separate versions of this document. JM confirmed that she was using the version that EIS had provided. • Academic Calendar CSW confirmed she had noted this action for future distribution of the draft calendar. • Timetabling Protocols LC advised that this meeting had taken place and would meet again. There were no contentious points. EIS advised that the planned meeting tomorrow would need to be postponed as Deborah Lally was due to provide some additional data and EIS wished to reflect on before this meeting. <p>Action: CSW to re-schedule this meeting.</p> <ul style="list-style-type: none"> • Staff Survey LC said the previous survey had been provided by Scotinform and was last issued in 2016. This survey included most colleges within the UHI partnership and the results then gave averages across UHI. At the Staff Engagement meeting, earlier today, a working group was convened to discuss the survey and what could be used within Perth. The working group will then report back to the Staff Engagement Group and to staff thereafter. • Contacts Pay for temp staff JM advised that this was still an action. 	CSW
5.	<p>Timetabling Protocols</p> <p>Discussed above, at point 4.</p>	
6.	<p>National Bargaining update</p> <p>a. NJNC Circular 04/18 – Transfer to Permanency</p>	

Item		ACTION
	<p>JM advised this circular had been received and SH had an action to speak to John Gribben re staff who may want to opt out, but this had not yet been completed and JM advised that she had still to do this.</p> <p>EIS said the circular was very basic and didn't give any scope for staff on more than 1.0 FTE. In discussions with SH it had been agreed it would not be right to permanise someone beyond 1.0. JM said she would not look to do this. EIS advised that the issue of staff not wishing to be perminised, for their own personal arrangements, was feasible.</p> <p>b. Permanisation JM said that the hours information had been received and she would action this.</p> <p>EIS queried if this would include professional duties. JM said the contract would be a minimum of average hours each lecturer worked, but professional duties were not quantifiable as hours. EIS said this would mean these staff would not be getting treated the same as someone with a permanent contract. JM advised that there were currently 40 staff, for permanisation, being entered into Celcat to get the averages.</p> <p>c. TQFE update (inc PDA Teaching Practice) EIS referred to the above and said they understood the College had to consider the professional gateway and how this would look moving forward. The circular indicated that anyone with 2 years teaching, has a priority to do this. JM said that once she had finished with the average hours process, then this would need to be reviewed and those who've been here longer than 2 years would be prioritised.</p> <p>EIS wanted assurance that, through the harmonisation process, staff wouldn't be barred from reaching the top of the scale. JM said she didn't have all this information, but she could check this. EIS said that for those staff who were at this point it would be important to secure that for them. LC said that TQFE was back to 150 hours. EIS pointed out that for TQFE some hours didn't add up to 150 hours and they wanted assurances that these staff would not be discriminated against.</p> <p>d. Additional 2 days holiday EIS referred to the additional 2 days holiday, received as part of national bargaining process. EIS were concerned about the impression given to the public about the days being fixed as the public and students were viewing the cancellation of classes as down to lecturers when, in fact, the fixed days were the decision of College management.</p> <p>EIS wanted further discussion about alternative options to having</p>	

Item		ACTION
	<p>fixed dates for next year.</p> <p>LC said he would be happy to consider any proposals from EIS for next year. EIS said that when they were originally granted these holidays they had asked if the days could be taken flexibly, so as to avoid individuals having to cancel classes. EIS said that their members didn't feel that the fixed days were an acceptable solution this year, although they agreed that they were not sure what the best solution would be for next year.</p> <p>LC suggest that everyone consider proposals for next year and bring these to the next meeting. EIS also commented on the communication that went out and that this would need to be reviewed for next time, as it gave very mixed signals.</p> <p>Action: All to consider proposals the use of the 2 additional days' holiday for next year and bring these to the next meeting.</p>	All
7.	<p>EIS Items (not noted elsewhere)</p> <p>a. Contracts and pay for temporary/fractional staff/leisure tutors</p> <p>EIS said they were aware that progress was being made with regard to this, but there was still a large number of staff who did not have a contract and EIS wanted to know at what stage the process was for the issuance of these contracts. LC said it was regrettable that this was the position but he was confident that strides had been made with the Leisure Tutors' contracts and many have now been paid the correct amounts. However, LC noted that it was quite a complex process. Staff had been paid, but at times that payment had needed to be clarified or adjusted which elongated the process. However, LC felt that the page could nearly be closed on this as far as Leisure Tutors were concerned.</p> <p>JM advised that payments for holiday pay had been made and she had gone back over block 1 and 2 to ensure everyone been paid what they were entitled to be paid. There were some contracts still outstanding and some contracts out to lawyers and she was waiting for these to come back. EIS said that an early communication to staff, advising them of the status of the process, would be helpful. JM said she would make this a priority.</p> <p>Action: JM to issue a communication to staff advising them of the current status with regard to the contract situation.</p> <p>b. Learning Centres - update</p> <p>EIS said that Margaret Cook had previously indicated the position regarding the other centres and wanted to know if this had moved on</p>	JM

Item		ACTION
	<p>any further. LC said a paper was going to the Board at the end of this month (March). Unfortunately, the withdrawal of the rurality funding would significantly affect the financial viability of the Learning Centres even more. After the Board meeting, SMT would be able to clarify the situation.</p> <p>EIS said that if all the Leisure Centres were to shut this would not be good news and there would be job implications for all staff members, as the College would not be able to relocate these staff. LC said that the current relocation was for Pathways staff only and would not necessarily apply to staff from the other centres. LC said it would depend on the paper and the Board's decision. EIS said that, reputationally, there would be a job to be done if all the College centres in the community were to be closed.</p> <p>c. Communications – closure days and additional holidays EIS advised that when classes were cancelled for 3 days in February, with the Staff Conference Day and then the 2 fixed days' holiday, there was some social communications sent out re classes being cancelled and it linked that to the lecturers having the 2 days holiday from national bargaining. EIS felt this didn't send out the right message and seemed to be divisive and EIS members didn't want to be put in a position of "them and us". Linking it to the cancelling of classes gave a certain perception that 'blame' was being put on EIS members. The decision for the fixed days was not what EIS members had wanted, it was a management decision. LC said that, moving forward for next year, there would be an opportunity to communicate with students in an improved way.</p> <p>8. Annual Professional Reviews</p> <p>CE advised that this was not a new process, but new forms had been created. SDDs and EIS had reviewed the forms and the 2 new SDDs were now the main users of this new documentation.</p> <p>The previous process had been very onerous and out of sync with the academic calendar and it also didn't tie in with operational planning aspects. CE acknowledged that the new process was still not perfect and there would still be questions to be answered, particularly around the best timing for fitting CPD requirements would into this process. For example, professional timing might be different from personal timing for taking CPD. However, if staff were meeting regularly then there would be an awareness of CPD requirements and how this would fit in with the frameworks. As a result, it would be difficult to have a fixed timescale to complete these.</p> <p>The interim review documents were also quite different and were reflective of where we were in the end of the 2nd semester. The review of this process had tried to ensure that this was a</p>	

Item	ACTION
<p>professional dialogue; it should be about finding the answers and giving everyone the opportunity to put their points across. It should also give staff the opportunity to identify what their wishes were with regard to CPD and to try and capture that better.</p> <p>The documentation had been simplified and there had also been an attempt to ensure standardisation across curriculum areas. This will likely change upon review, so it will be an ongoing process. Most importantly, staff should feel value in this process.</p> <p>EIS queried if there would be a launch and briefing. CE said there would. LC said the aim was to launch the new process at the next staff conference day. EIS confirmed they were happy with the new documentation.</p> <p>9. AOCB</p> <p>Proposal re Tender for Associates to Supplement Staff Capacity to Deliver Commercial Training</p> <p>This was a paper tabled at the meeting by Veronica Lynch (VL), Vice-Principal, External Engagement. However, as VL was unable to attend the meeting, CE spoke to the paper on her behalf.</p> <p>The College proposed to issue a tender through Public contracts Scotland to seek a range of contractor/s for the supply of Associate Training Services. These trainers would deliver training programmes on behalf of the College, in particular, to enable the Flexible Workforce Development Fund (FWDF) to be delivered within the timescales required by Perth and Kinross businesses.</p> <p>CE advised that these trainers would not be required to teach in any curriculum areas to full time/part time courses. However, as the FWDF was putting considerable pressure on staffing resources, it was felt necessary to have a supply of external trainers, that SDDs could call on, to deliver this particular work, to ensure timescales were met.</p> <p>One of difficulties for the College was that its specialist staff would also be involved in delivering the FWDF and the College couldn't sustain this, where backfill was required.</p> <p>CE indicated that a number of other colleges have this type of list of Associate Training Staff, whom they use, for this type of commercial training and it works well for them. All Associates would be appointed and managed by SMs and SDDs to ensure that the quality of learning and College processes were followed appropriately. Any contract would initially be for 2 years and then reviewed.</p>	

Item		ACTION
	<p>LC said that he was aware that EIS had only just had sight of this paper at this meeting, but asked if they had any initial thoughts or questions.</p> <p>EIS expressed concern that this would open the back door for trainers to work within the curriculum. CE said that VL had made it clear this wouldn't be the case. EIS said they had to protect their members and this would be bringing in people on different T&Cs from lecturers, but they would essentially be carrying out the same work as some of the College staff. EIS said they would want to discuss this further.</p> <p>Action: CSW to set-up a meeting with EIS, VL, MC and HR to discuss further the proposal for employing Associate Trainers.</p> <p>CE said there was a need to be aware of the pressures on staff to deliver on this and that SDS had actually been directed to colleges to deliver this programme, rather than to other trainers. It would make it much easier to organise this type of training if SDDs had a pool of staff to go to. EIS said there were already staff on a 'bank list', but they would be on lecturing contracts and EIS' concern was that if the College went this route, the College would be introducing other staff on a different type of contract.</p> <p>HR EIS advised that members had expressed concern about the situation within HR – high turnover of HR staff, HR staff off sick etc and asked for an update on the current status of this department.</p> <p>LC confirmed that Susan Hunter, Head of HR, was currently signed off. However, in the meantime, Jen McGillivray, Interim HR, was doing sterling work within HR. LC also advised that Debbie Syme (DS), maternity cover for Cat McClay (CM), was leaving.</p> <p>LC advised that there was currently a 1.6 FTE vacancy in HR (including a 0.6 FTE for the Equality and Diversity Officer). The maternity cover for CM would also need to be filled.</p> <p>EIS said they weren't being critical of HR, but staff were concerned about the situation and realised the pressures the department were facing.</p> <p>EIS also noted that a couple of job adverts had recently been posted for lecturing staff, where there were errors. In particular, a recent one had been posted and the pay scale was not correct. EIS had passed this information on to Linda Lamont, in HR, but had not yet had a response. JM said she would investigate this as soon as she returned to the office after this meeting. EIS said it was important that a job advert was correct in terms of the pay scales, as it could "set hares running" with other staff.</p>	<p>CSW</p>

Item		ACTION
10.	<p>Date and time of next meeting:</p> <ul style="list-style-type: none">• 13th June 2019 <p>All meetings take place on Thursdays, 3.00-4.30pm, in room 019.</p> <p>Meeting End Time</p> <p>The meeting concluded at 16.10.</p>	

DRAFT

Finance and General Purposes Committee Terms of Reference

Membership

Chairman (ex officio).
Vice Chairman (ex officio).
Principal (ex officio).
No fewer than 2 other Board of Management members.

In attendance

Chief Operating Officer
Head of Human Resources and Organisational Development

Quorum

The quorum shall be 3 members of which **at least 2 to be independent Board of Management members.**

Frequency of Meetings

The Committee shall meet no less than four times per year.

Terms of Reference

- 1 Consideration of the annual estimate of revenue income and expenditure.
- 2 Consideration of the annual estimate of capital income and expenditure.
- 3* Responsibility to ensure that appropriate control systems are in place:
 - a To administer and control all revenue and capital grants received from the Scottish Government and all other sources.
 - b To administer and control the payment of all monies due and the collection of all income due.
 - c To ensure the efficient management of the College Catering Service and Food Court and Halls of Residence.
 - d To administer and control matters relating to the repair, maintenance and upkeep of land, buildings etc.
- 4 Liaison with the Audit Committee in reporting to the Board on the state of the College's finances.
- 5 Consideration and approval of the College's Financial Regulations and Procedures, ensuring their implementation, monitoring and review in relation to all matters

- financial, including approving organisations in which funds may be invested and setting investment limits.
- 6 Generally the formulation of advice to the Board on financial matters and the supervision of the financial affairs of the Board.
 - 7 Strategic oversight of procurement, contract management and ICT service level agreement on behalf of the Board.
 - 8* Consideration of tenders received for any works the cost of which are in excess of £50,000.
 - 9 The acquisition and/or disposal of heritable property whether by purchase/sale or lease.
 - 10* Consideration of any proposals to obtain plant equipment furnishings or fittings the cost of which is expected to be more than £50,000.
 - 11 Consideration and assessment of priorities for capital grant for new building work or the major modification of existing buildings. Recommendations to the Board on issues relating to College estates and resources
 - 12 The oversight of the Board's statutory functions and responsibilities as an employer of the staff of the College.
 - 13 Consideration of all matters relating to:
 - a The establishment and staffing structure of the College.
 - b The salaries, wages and conditions of service of all staff except the Principal, Executive and Managers as individual contracts with the Board.
 - 14 Responsibilities for early retirement/early severance policy.
 - 15 Oversight of the disciplinary and grievance policies and procedures of the College.
 - 16 Consideration of matters relating to staff relations including union recognition and local bargaining agreements.

The functions marked thus * stand delegated.

Approved at Committee – 12 October 2016