

Strategic Development Committee

Agenda

Meeting reference: Strategic Development 2022-23/02

Date: Monday 05 December at 5.00pm

Location: Boardroom (Brahan Room 019)

Purpose: Scheduled meeting

*Denotes items for discussion/approval.

Members should contact the Clerk 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 Interest in any Agenda Item | | Chair | |
| 4 | Minutes of the meeting held on: 21 September 2022 | | Chair | Paper 1 |
| 5 | Actions arising from previous minutes | | Chair | |
| 6 | Items for Discussion | | | |
| *6.1 | AST Digital Sales & Business Recovery | AST General Manager | AST General Manager | Paper 2 |
| *6.2 | Commercial Business Overview | Vice Principal (Operations) | Vice Principal (Operations) | Paper 3 |
| *6.3 | KPI Prioritisation | Depute Principal | Depute Principal | Paper 4 |
| 6.4 | UHI 2024 – progress update | | Principal | Verbal |
| 6.5 | UHI Engagement Strategy | | Vice Principal (External) | Verbal |
| 6.6 | Development Trust | | Principal | Verbal |
| 7 | Date and time of next meeting: | | | |

| | Agenda Items | Author | Led by | Paper |
|---|--|---------------|---------------|--------------|
| | <ul style="list-style-type: none">• Thursday 02 March 2023 (includes joint meeting with Finance & Resources Committee) | | Clerk | |
| 8 | Review of Meeting (Committee to review Terms of Reference, and to ensure all competent business has been covered) | | Clerk | Paper 5 |

Strategic Development Committee

DRAFT Minutes

Meeting reference: SDC 2022-23/01

Date: Wednesday 21 September 2022

Location: Boardroom (Braham Room 019)

Members present: Andrew Comrie, Board Member (Chair)
Michael Buchanan, Board Member
Heather Cormack, Board Member (from Item 6.1)
Sheena Devlin, Board Member
Jenny Hamilton, Board Member
Derek Waugh, Staff Board Member
John Dare, Staff Board Member
Margaret Cook, Principal
Charlea Jefts, HISA Perth Depute President Activities & Welfare

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

Apologies: Todor Pavlov-Kennedy, Student Board Member
Lorenz Cairns, Depute Principal

Chair: Andrew Comrie

Minute Taker: Ian McCartney

Quorum: 3

Minutes:

| Item | | Action |
|------|---|---|
| 1. | <p>Welcome and Apologies</p> <p>Chair welcomed all present to the meeting, and welcomed Charlea Jefts as a new member of the Committee.</p> | |
| 2. | <p>Additions to the Agenda</p> <p>There were no additions to the Agenda.</p> | |
| 3. | <p>Declaration of Interest in any Agenda Item</p> <p>No interests were declared</p> | |
| 4. | <p>Minutes of Meeting held on 16 May 2022</p> <p>The minutes were agreed as being an accurate record of the meeting.</p> | |
| 5. | <p>Matters Arising from Previous Minutes</p> <p><u>Actions outstanding from prior meetings: 02 November 2021</u></p> <p><u>Item 6.3 – Commercial/Non-Core Business Strategy</u> Action 3: Provide further report on Commercial activity following College Strategy approval</p> <p>Action Update: Deferred to next meeting</p> <p><u>Item 6.5 – Development Trust</u> Action: Provide Committee with more information including presentation by representative of Trust</p> <p>Action Update: Not complete, defer to next meeting. Principal noted that work was continuing around development fundraising events in the interim.</p> <p><u>Actions outstanding from prior meetings: 16 May 2022</u></p> <p>Chair noted that all actions from meeting of 16 May 2022 related to the Strategic Plan had been amalgamated with other Committee inputs into a final version which was subsequently approved by the Board of Management in June.</p> | <p>Vice Principal (External)</p> <p>Principal</p> |

| | | |
|-----|--|--|
| 6 | Items for Discussion | |
| 6.1 | <p>Option & Risk Appraisal Arising from Extraordinary Board Meeting, 5th September 2022</p> <p>Chair proposed spending the substantive part of the meeting on Item 6.1, going through the suite of papers provided by the Executive Team, and to consider the cultural changes required if the College was to remain within the UHI partnership.</p> <p>Chair outlined that Committee was tasked with going back to the Board with its deliberations and to represent the thinking behind any decisions. Principal confirmed that an Extraordinary Board had been convened for Thursday 6th October, following the Graduation ceremony.</p> <p>Principal noted in Paper 2 (Executive Summary) that SMT had considered three options/scenarios for structural change:</p> <ul style="list-style-type: none"> • remain in UHI and continue to work on improving the partnership • leave UHI and be a stand alone college retaining our HE numbers • leave UHI and create a Tayside FE/HE formalised collaboration <p>Principal summarised Paper 3 (UHI Revitalisation), noting that there had been a focus on 7 groups identified to work on 2-year process for substantive change. Principal scheduled to chair one of these groups (Shared Services) with support from Vice Principal (Operations). The key question identified was “Why is this different?” – UHI had identified that there was a “burning platform” for change due to pressing financial impetus.</p> <p>Board Member asked what structures would change programme have, eg leading or sponsoring? And where are resources coming from? Principal advised that the leadership of groups had not been fully identified yet, although a closed Court meeting on 22/09/2022 would look at leadership following departure of UHI Principal, and the structure of groups was not yet determined.</p> <p>Principal agreed to report to EBM meeting on 06/10/2022 re likely structures of change programme. The expectation is that work will commence January 2023 per proposals, although PC would like some momentum to be retained</p> <p>Board Member expressed concern re “what is UHI?” and whether this can evolve out of change programme; in addition, concern was raised that that 7 different groups might take 7 different positions if this not defined.</p> | |

Committee **agreed** that regular reporting to/reviews with Colleges are required to ensure clarity over direction of travel, and these should be included within the mode of delivery.

Board Member noted concern over 2024 being a realistic timescale given recent changes in UHI leadership.

Board Member identified that the College needs to know project management model to be utilised, eg PRINCE2. Principal **agreed** to confirm which project management model to be used once known.

Board Member queried what could happen re the areas of work identified by PC but not in 7 workstreams identified by UHI – could there be new subsets within workstreams. Principal advised that this is a discussion point for senior group responsible for delivery.

Committee **agreed** that there needs to be some form of input from Boards of APs, and the Principal should negotiate the form this may take.

Vice Principal (Operations) presented Paper 4 (Financial Comment), which provided detail on key financial implications not discussed in detail at Extraordinary Board. Vice Principal (Operations) advised that the 7 workstream scenarios have not been modelled, therefore there is no definition of what completion, or part thereof, means financially.

Board Member queried what are sector benchmarks re overhead v teaching costs? Vice Principal (Operations) responded that this was approx. 50/50, although “teaching expenditure” needs defined.

Committee **agreed** that outline deliverables should be defined.

Student member asked how much of College’s teaching and academic spend (ie 63%) is HE vs FE, and what is College’s contribution to shared teaching on networked courses, ie what would College need to spend to retain current levels in event of a split from UHI? Vice Principal (Operations) advised that a detailed split on a cost basis would be extremely difficult to track as there is no clarity in terms of what PC draw down from EO – there are no SLAs, and the top slice is not defined by what APs want.

Board Member queried why College is paying for something not being used? Was opt-in/out discussed? Vice Principal (Operations) advised that this issue has not been discussed since formation of EO, and impact of EO costs on APs has never been assessed.

Committee **agreed** that review of EO needs to go back to “first principles”.

Chair asked for input/points of clarification into Paper 5 (SWOT Analysis).

Board Member asked whether the SWOT was evidenced, or purely SMT opinion? Principal noted that the analysis was subjective opinion based on qualitative rather than quantitative evidence, as deeper levels of detail not able to be provided within such a short turnaround

Board Member queried whether the retention of Degree-awarding powers within UHI was likely to be a deal-breaker for the College’s HE provision? Principal advised that other colleges provide degrees offered by other HE organisations, eg Open University, Greenwich University, however the funded places ceiling may have an impact on Scottish Universities offering degrees with Scottish Colleges.

Board Member noted that a weighting for the different strengths/weaknesses may help support a decision about the preferred option. For example, should political intervention be strongly weighted, given that political positions may have evolved in recent months.

Board Member asked whether anything in the current Audit Scotland report should be factored into the SWOT analysis? Principal **agreed** that SMT would cross-reference this prior to presentation to Board.

Board Member advised that student voice and staff upheaval should also appear within Scenario 1, and that weighting should be given to opportunity the College has to be a dynamic leader in this process to the benefit of all.

Committee **agreed** that Scenario 1 should be adopted as the position moving forward, however the SWOT analysis for this requires attention prior to submission to full Board.

Principal presented Paper 6 (Areas for Negotiation) and sought feedback from Committee in terms of being strongly for/against.

Board Member advised that revenue generation parts require greater impetus.

Board Member sought reassurance around the implications of the negotiating areas around Curriculum Strategy, in particular whether there could be any risk of signing up to a strategy that might not suit the College.

| | | |
|-----|---|--|
| | <p>Vice Principal (Academic) noted that UHI had recently conducted a Curriculum Review, however this was more of a rationalisation process with no strategic framework, and didn't allow for local niche provision. Vice Principal (Academic) advised that any future review would need more input from Academic Partners, particularly around networking on programmes</p> <p>Board Member identified that some timescales on negotiation positions look very tight eg, one includes a reference to Oct 2022), and sought clarification on any bandwidth for negotiation/compromise</p> <p>Principal advised that SMT will review Paper ahead of Board meeting given changes in recent past, including a prioritisation of list of negotiation areas.</p> <p>Strategic Development Committee ENDORSED the SMT position to propose Scenario 1 to the Extraordinary Board meeting on 6th October, subject to changes agreed.</p> <p>Board Member expressed concern that the Board meeting would relitigate the lengthy discussion that had just taken place and sought a way to avoid this. Clerk offered re repackage notes in an summary paper to allow Board a simpler way to check on the scrutiny and decisions taken today. This approach was agreed.</p> | |
| 6.2 | <p>Delivering the College Strategy – update</p> <p>Chair proposed to defer this Item to the next meeting, which was AGREED.</p> | |
| 6.3 | <p>KPI Prioritisation – update</p> <p>Chair proposed to defer this Item to the next meeting, which was AGREED.</p> | |
| 7 | <p>Date and time of next meeting:</p> <ul style="list-style-type: none"> • Monday 05 December 2022 @ 5:00pm | |
| 8 | <p>Review of Meeting</p> <p>Committee confirmed the business of the meeting had been compliant with its Terms of Reference.</p> | |

Information recorded in College minutes are subject to release under the Freedom of Information (Scotland) Act 2002 (FOI(S)A). Certain exemptions apply: financial information relating to procurement items still under tender, legal advice from College lawyers, items related to national security.

Notes taken to help record minutes are also subject to Freedom of Information requests, and should be destroyed as soon as minutes are approved.

Status of Minutes – Open

An **open** item is one over which there would be no issues for the College in releasing the information to the public in response to a freedom of information request.

A **closed** item is one that contains information that could be withheld from release to the public because an exemption under the Freedom of Information (Scotland) Act 2002 applies.

The College may also be asked for information contained in minutes about living individuals, under the terms of the Data Protection Act 2018. It is important that fact, rather than opinion, is recorded.

Do the minutes contain items which may be contentious under the terms of the Data Protection Act 1998? **Yes** **No**

| | |
|--|---|
| Committee | Strategic Development Committee |
| Subject | AST Business Recovery and Digital Sales Strategy |
| Date of Committee meeting | 05/12/2022 |
| Author | Mark Taylor |
| Date paper prepared | 27/11/2022 |
| Executive summary of the paper | A paper detailing future budget performance, potential mitigation actions and laying out a possible Digital strategy for training notes development and sales re Air Service Training. |
| Consultation How has consultation with partners been carried out? | Presented and discussed at AST Board on 29/11/2022 |
| Action requested | <input checked="" type="checkbox"/> For information <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: | Digital is part of the AST and Perth College future development route, whilst the mitigation actions will help secure the current approved business plan. |

| | |
|--|---|
| <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> | Confidential |
| <p>Freedom of information</p> <p>Can this paper be included in “open” business?*</p> | No |

* 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 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.

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



Air Service Training

AST Board Paper

**Business Recovery
Including a Digital Sales Strategy**

November 2022

Mark Taylor

Purpose of Paper

1. This paper lays out the challenging business situation facing AST and looks at some of the options and strategies that will be used to get to a better place.
2. AST finds itself in a situation where timing of significant commercial events and future prospects is all coming together in a way that is very challenging for both profitability and, in extremis, business viability.
3. In a Perfect Storm, AST has several large long-term customers, C.A.T. in Kuwait and Joramco in Jordan, where the relationship is maturing, and revenues will fall in the next year. Unfortunately this coincides with the Leonardo contract drawing to a close in September 2023 and the potential significant opportunities for backfill either not happening or moving out to the right.
4. Whilst the larger long-term customers are important and give confidence about base revenues for forthcoming years, there are no real prospects for large contracts in the next two years. Beyond that period, there are however prospects around MAATIC and Boeing (Moray Growth Deal) and the possibility of the UK MoD NGTT project re-emerging in some form or other.
5. There is therefore a need for AST to develop its other revenue streams and to look more seriously at creating and selling a digital online product. Assuming sufficient volume can be generated, this could be the base load revenue AST needs to underpin its future year plans.
6. It is believed this model will be more sustainable and remove the business continuity risks that arise when a large customer makes significant or total reduction in annual revenues.
7. The challenge for AST is therefore to survive, invest and then grow over the next 2-3 years
8. The paper considers therefore how additional revenues might be generated and what cost mitigations exist to preserve cash, protect margin and to permit funding of required business winning and course investment.

Background

9. In simplistic terms, in the pre-Covid years AST was a £1.8m revenue business which historically made around £200-250k profit, with all those profits Gift Aided to Perth College, thereby reducing, or eliminating any corporation tax liability.
10. To maximise Gift Aid, AST retained little or no profit or cash either for the purposes of investment or even to retain an adequate cash balance to weather income fluctuations.

Consequently by 2020, as an example, AST's primary helicopter teaching aid was over 44 years old and teaching materials (notes and manuals) were massively behind the industry standard regarding presentation and accessibility, although actual content remained relevant and high quality.

11. Cashflow fluctuations are problematic for AST, compounded by a poor payment profile on the Leonardo contract, accepted by previous AST management with little understanding on how it could be funded.
12. Since 2020 there has been strong support from the AST and Perth College boards for AST to rectify historic shortfalls in investment, with a consequence that AST is retaining profits, so paying Corporation Tax, but also investing heavily in the business. Two replacement helicopters arrived in Summer 2021 and a Jetstream 41 aircraft in July 2022.
13. AST has also been allowed to build up larger cash balances, with the aspiration to have at 3 months cover for budgeted expenditure, so around £200k minimum in bank.
14. Over the years some courses have seen progressively fewer students and with multiple licence types being offered, the costs of delivery have increased due to impact on staffing ratios.

To a degree this was being masked by the profitability of the Joramco and C.A.T. contracts, however as those revenues have reduced then the underlying poor profitability of the core AST courses has been exposed.

15. AST management and Finance are working on a revised cost allocation model which has unfortunately been delayed by business and external audit deliverables, both for AST and for the College. It is expected this will now be completed in January 2023 although initial work on course contributions has yielded interesting data, particularly around marginal costs of taking students at certain class sizes, most obviously when 1 extra student requires 1 extra instructor
16. The audited performance for AST over the past 3 years is shown below. Other Income in the first 2 years is almost entirely the furlough payments received from UK Government during Covid.

| | 2019-20 | 2020-21 | 2021-22 |
|-------------------------|----------------|-----------------|-----------------|
| | Actual | Actual | Actual |
| Turnover | £1,508,345 | £1,797,045 | £1,960,204 |
| Other Income | £110,733 | £75,919 | £0 |
| Expenditure | £1,622,811 | £1,627,994 | £1,813,430 |
| Op Profit | -£3,733 | £244,970 | £146,774 |
| Profit after Tax | -£6,836 | £191,409 | £110,001 |

17. AST largest cost is labour, then facility costs associated with the Scone facility. The third largest spend is £100k paid to Perth College to cover classrooms and offices at Crieff Road, plus services from HR, Finance, IT and Reprographics. Discretionary spend is largely limited to marketing, travel and training courses costs.
18. The growth in expenditure is largely attributable to increased staff costs as the instructional team has increased from 16 to 18, to reflect the impact on class ratios due to course mix and

higher than budgeted staff on the problematic QEAF course. In addition, salary costs have risen as AST have attempted to address the shortfall between the AST instructor package and that offered by other sector companies

19. Since 2021 AST has also faced additional airworthiness approval costs, in excess of £60k depending on the variable audit fees, due to a post-Brexit requirement to have separate UK CAA and EASA (European) Part 147 approvals.

Performance Year-to-Date on Current Plan

20. Q1/2022-23 has seen an improved performance against budget with the following at end October 2022

| | 2022-23 Full Year Budget | Q1/2022-23 Phased Budget | Q1/2022-23 Actual | Variance |
|-------------------------|---|---|------------------------------|-----------------|
| Turnover | £1,974,615 | £440,614 | £471,034 | £30,420 |
| Other Income | £0 | £0 | £0 | £0 |
| Expenditure | £1,986,148 | £489,878 | £466,114 | -£23,764 |
| Op Profit | -£11,533 | -£49,264 | £4,920 | £54,184 |
| Profit after Tax | | | | |

21. Increased revenues have come from the RAFO starting an un-budgeted 10-week Quality course, whilst Modular and Approved courses also saw a small upside of £15k
22. Reduced expenditures were largely due to lower spend on Staff Costs of £20,500 reflecting 2 vacancies on the instructor team and a vacant Examination Administer role. Other savings on facilities and travel were offset by higher costs on marketing and course costs

Mitigation Actions – Revenue

23. Other revenue opportunities being progressed and additional to budget are.
 - 23.1. RAFO are seeking additional courses including an extra unbudgeted 6-week Q-OHC cohort + 1 week extra on each of the 2 budgeted courses + 2 x 4-week courses, the latter unbudgeted. Total additional revenue of £50,250 if all are booked
 - 23.2. RAFO want a new Maintenance Planning programme to be developed, with 2 cohorts for 5-8 weeks. This would be worth between £33-53k
 - 23.3. Royal Danish Airforce want 9 weeks of delivery, either in Perth or Denmark, worth £30-34k. AST has no prior relationship with this air force, so conversion of this prospect is by no means certain.
 - 23.4. Exam centre request from Fiji and Manchester UK, each potentially worth £4,500
 - 23.5. Muscat Training Institute (Oman) have expressed interest in AST running courses and examinations, possibly remotely (early-stage prospect, value TBA)

Mitigation Actions - Expenditure

24. Expenditure mitigation opportunities will include careful management of non-staff expenditure and limited opportunity on the largely fixed facility costs.
25. The largest opportunity on expenditure is staff costs.
 - 25.1. AST enters the Christmas break with 5 of 18 instructors having elected to leave the business. 3 have returned to the tools in civil aviation with each taking 50-90% salary uplifts, 1 has taken retirement to run a new family business (B&B / AirBnB) and the 5th has taken semi-retirement, possibly including work at Ayr College.
 - 25.2. AST has appointed 1 new instructor to join February 2023, and 2 of the leavers have agreed Associate contracts, where they can be called in if required for surge capacity.
 - 25.3. AST will then exercise caution in backfilling the other vacancies. The full year FTE cost is around £44k per instructor. With staff utilisation under review, plus combining of certain classes to maximise staff student ratios, there is potential to save £100-150k depending on also on un-budgeted business winning.
 - 25.4. The Senior Business Manager (Robert Sutherland) has resigned and will leave 17th January 2023.
 - 25.5. This role will not be filled like-for-like and a new role of Digital Manager is likely to be appointed, focused on both the preparation of suitable materials for online and remote delivery, plus driving the sales related to this.

Strategic Project - Digital

26. AST sells Notes and Examinations through the Sales Office and since August 2022 has had a live portal on the website allowing direct purchase of Notes and payment for examinations, although exam date bookings are still required through the Sales Office.
27. Budgeted and Achieved Sales for all elements of Modular and Exams are show below

| | | 2022-23 | Q1/2022-23 | Q1/2022-23 | Variance |
|----------------------------------|--------------|-----------------|----------------------|-------------------|-----------------|
| | | Budget | Phased Budget | Actual | |
| Modular Courses @ Perth | | £160,000 | £40,000 | £53,453 | £13,453 |
| Exams Only | | £18,000 | £4,500 | £1,577 | -£2,923 |
| Modular Notes & Exams | | £12,000 | £3,000 | £2,313 | -£687 |
| Digital | | £18,000 | £4,500 | £548 | -£3,952 |
| | TOTAL | £208,000 | £52,000 | £57,891 | £5,891 |

Except for physical short course delivery at Perth, all categories of training materials for the Modulares, together with the associated examinations are doing poorly

28. AST have identified a few issues including portal visibility, pricing of notes, and quality of training notes.
29. The current AST website is poorly laid out and it is not immediately clear how to access the recently introduced portal. A refreshed website, with much brighter colours and a more intuitive layout is currently in test and with the AST team for comment.

30. The AST Board were briefed in September about a pricing issue that had become apparent as part of the roll out of the portal.

A comparison to Total Training Solutions and Cardiff and Vale, both big sellers of online courses, suggested AST was charging 420-600% and 310-415% more than those suppliers, with the range representing the different modes of supply offered by AST competitors.

In the worst mismatch, AST is charging £1,220 for Module 12, in comparison to Total Training Solutions, who are charging just 1/13th of the AST price at £95.95 for a 6-month access code

31. Since September, AST has not been able to find another evidence of pricing from other parties. An exercise is now underway to record which modules have been sold as notes (currently the tracker only records students and numbers of modules) and it is then intended that prices will be reduced on those most out of line with the competitors. The effect this has on sales will be monitored.
32. It is hoped to have the revised pricing in place for sales from January 2023, recognising that the Christmas break and New Year resolutions can be a period when people decide to embark on personal training.
33. As part of a training programme proposed for 2Excel, a range of options were created for a customer who was considering the relative merits and costs for different delivery models. Five (5) options were considered

| Mod 11B Delivery Options | | Duration / Recommended Study Hours |
|---------------------------------|--|--|
| 1 | Classroom in Doncaster | 4 weeks full time |
| 2 | Supported Self-Study with On-line Tutorial Sessions /Classroom | 12-week self-study period / 12 x weekly 1-hour tutorials / 1 week revision course & exam (Doncaster) |
| 3 | Supported Self-Study with On-line Tutorial Sessions | 12-week self-study period / 12 x weekly 1-hour tutorials / Exam (Remote Invigilation in Doncaster) |
| 4 | Self-Study using AST provided Notes | Student's Choice |
| 5 | Classroom in Perth | 4 weeks full time |

34. Options 2, 3 and 4 are effectively variations of Digital, with Option 4 being the basic notes pack, whilst Option 3 introduces a dial-in tutorial session and Option 2 further upsells a week

of classroom delivery prior to the examination. An examination does of course generate further income.

35. **Quality of Notes** – mainly due to significant under-investment in AST over previous years, the reality is that the teaching notes which AST uses in its classrooms, its workshops, on its short modular courses and at the overseas Approved Sites (Joramco and C.A.T.) are all visually very poor. In some cases there is poor reproduction of inserted documents and diagrams, there is no consistency in font size, style or in page formats and there is little or no embedded video.
36. AST is investigating 4 options for bringing the Notes to an acceptable standard
 - 36.1. **In-House Revision (Instructors)** – whilst this will be scoped and would have the benefit being worked around existing workloads and keeping the instructors engaged in the creation of the material, the incumbent instructors are not strong on required IT and digital formatting skills. Timescales might also be too protracted
 - 36.2. **In-House Revision (AST contractors / short term staff)** – currently the preferred option, AST would take a Digital-savvy instructor and pair him with short term employees or contractors. These roles might be attractive to suitable graduates from Perth College seeing paid projects
 - 36.3. **Outsourced Revision by 3rd Party** – this is currently seen as the higher risk option regarding end quality and content of training materials. Concern also exists regarding availability and affordability of capacity in a fully commercialised sector
 - 36.4. **Purchase Notes form 3rd Party** – this will be scoped however initial positive thoughts about approaching Total Training Solutions (TTS) have been tempered by feedback from Ryanair and from AST Modular Course students attending Perth, all of whom have said that whilst the TTS notes are cheaper and much more modern formatting and language than the comparable AST module, the content is not as good as the AST Notes. In addition, the TTS notes do not directly link to examination question banks, meaning an exam might include questions not discussed in the Notes.
37. Assuming AST can get the portal working, the Notes priced at the right point, the options for up-sells (eg dial-in tutorials, training weeks, exams) clearly communicated and attractively priced, plus get the actual Notes up to an acceptable standard, including modern diagrams and embedded video and simulation, then AST should do better on Digital than it currently does.
38. The strategy on pricing and marketing of Digital is currently being discussed with subject matter experts at Scottish Enterprise. The next meeting is scheduled 28th November 2022 and will be verbally briefed to the AST Board.
39. Unfortunately all available Scot Ent funding is currently allocated to other companies or projects and there is low expectation that April 2023 and the new financial year will yield any funding either.

40. AST is therefore working on the assumption that Digital will have to be funded from any upside on business performance, plus the opportunity to reduce payroll spend on the 4 instructor vacancies, plus the Senior Business Manager vacancy. Asa [previously stated, the current intention is that the SBM salary, or part thereof, is used to fund the Scot Ent work and perhaps the secondment from Training to Digital of a suitable instructor as project lead.
Project Manager

Strategic Project - Boeing

41. AST is heavily constrained regarding an NDA with Boeing and a verbal agreement on confidentiality agreed between all the parties working on the Moray Growth Deal (MGD) and the associated MAATIC training facility.
42. Notwithstanding the above, if an agreement is reached between Boeing and the MGD, then there will be Boeing involvement at MAATIC, and the intention is that AST and Boeing will jointly develop a new licensed engineering training course format. Initially trialled in Moray, once approved the new course will be available across the world, potentially generating significant revenues for the owners or licensee of the IP
43. Boeing want AST involved and have committed 1 x FTE staff to the course development project, subject to satisfactory contract agreement between Boeing and MGD. It is a reasonable expectation that AST will need to commit a similar level of staffing.
44. AST need a formal contract with MGD to cover involvement with Boeing and associated activities regarding building up to the opening of MAATIC in September 2025.
45. The commercial risk for AST is that if UHI or Moray College fund AST in the developing of the new course, whilst AST will retain rights to its background IP, the newly developed IP will probably sit with Boeing, with a license to UHI or Moray College, with a lower-level license for use (not exploitation) back to AST.
46. This model would potentially jeopardise AST involvement in post-MAATIC exploitation away from MAATIC, with UHI getting the future royalties.
47. It is, however, a difficult opportunity to model on a spreadsheet as it is hugely dependent on the optimism placed on post-MAATIC developments of other training centres by Boeing.
48. Given AST's fragile financial position, it might be necessary to accept UHI / Moray College funding and then rely on the non-financial relationship between AST and Boeing to increase the likelihood of AST involvement on any post-MAATIC deployment of the new course.

Mark Taylor

AST General Manager

27th November 2022

| | |
|---|---|
| Committee | Strategic Development Committee |
| Subject | Commercial Business Overview |
| Date of Committee meeting | 05/12/2022 |
| Author | Iain Wishart, VP Operations |
| Date paper prepared | 30/11/2022 |
| Executive summary of the paper | <p>This paper presents an overview of the current status of non-SFC funded activity together with a series of Challenge Questions for Committee's consideration to inform the way forward for a Commercial Strategy for UHI Perth, and will influence the enabling strategies of International, Business Development and Development Trust in line with the new College Strategy along with the UHI Engagement Strategy and Together Campaign.</p> <p>This paper, subject to amendments based on feedback/consultation at this Committee Meeting, will then be presented for approval at the joint meeting of SDC/Finance & Resources in Board Cycle 3.</p> |
| Consultation How has consultation with partners been carried out? | n/a - first presentation at this meeting |
| 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) | <p>Yes/ No</p> <p>Could have an impact on the resources we have.</p> |

| | |
|---|---|
| <p>Risk implications (If yes, please provide details)</p> | <p>Yes/ No Gives information on the financial risks associated with our commercial businesses.</p> |
| <p>Link with strategy 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 provide further information | <p>This project supports the delivery of the strategic aim Financial sustainability</p> |
| <p><u>Equality and diversity</u> Yes/ No If yes, please give details:</p> | <p>Click or tap here to enter text.</p> |
| <p>Island communities 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 If yes, please give details: Click or tap here to enter text.</p> |
| <p><u>Data Protection</u> Does this activity/ proposal require a Data Protection Impact Assessment?</p> | <p>Yes/ No 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>Confidential</p> |

| | |
|--|--|
| Freedom of information Can this paper be included in “open” business?* -Yes | 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 |
|--|--|

* 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 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

Introduction

This paper sets out the current status of non- SFC funded activity together with a series of Challenge Questions for Committee’s consideration. This will inform the way forward for a Commercial Strategy for UHI Perth. This will also influence the work to refresh the enabling strategies of International, Business Development and Development Trust in line with the new College Strategy along with the UHI Engagement Strategy and Together Campaign.

Context

Before reading the rest of this paper and in order to consider the financial position of some of our businesses it is important for you to formulate a definition of:

1. *What is the definition/hurdle rates for a business to be classed as a commercial business at UHI Perth?*
2. *Why do we have commercial businesses at UHI Perth?*
3. *What is the minimum financial performance of commercial businesses at UHI Perth?*

The Committee are asked to bear in mind that a public sector organisation cannot use public funds to support a commercial business.

Complexity = Cost

UHI Perth is a complex organisation, and this is important point when considering financial sustainability. The graphic below sets out the key income streams at UHI Perth. “Other” is made up of many small income streams ranging from hairdressing to short term courses for the unemployed and beyond.

| | | | |
|----------------------------|------------------------|-----------|---------------|
| FE Core | HE Core | Tuition | International |
| Foundation Apprenticeships | Modern Apprenticeships | SECCT | SNIPF |
| CiTB | AST | Gym | Climbing Wall |
| Bursary | Nursery | Childcare | Research |
| Estates | Residences | Micro RAM | FWDF |
| Catering | Other Income | | |

From a professional services point of view most of the businesses above operate as standalone businesses. Their various compliance requirements and complexities (some are very complex) have to be understood and managed. The number of businesses we have makes this very difficult. The challenge is further compounded when two or more of these businesses arrive at professional services expecting, understandably, that their business is dealt with first.

Complexity =

1. Cost.
2. Stress on professional service areas (there is a limited capacity).
3. Risk.
4. Control challenges.

For most readers of this paper, we have inherited the current portfolio. While each income stream at UHI Perth can be rationalised/justified it is important to step back and consider:

- Whether we can afford to do all these things,
- Do we have the capacity, certainly in professional services,
- Are we experts at running ALL these areas?
- Do our commercial businesses fit with why we exist/our purpose.

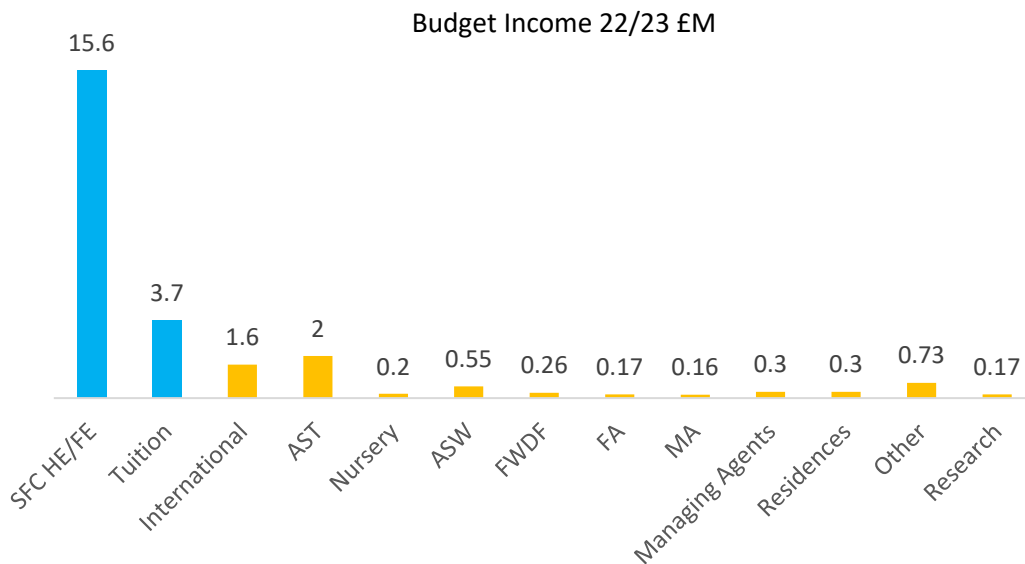
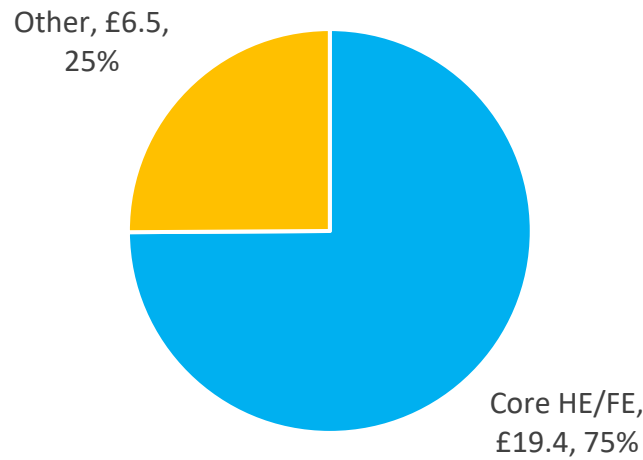
While income is important, a more important requirement is profitable income. However, even when an income stream is profitable, we need hurdle rates before entering into the venture....

From a finance point of view, we would recommend that:

1. If a business is not within our core areas of expertise we should resist being/moving into that market.
2. If a business cannot meet the basic financial requirements, set out by you at question 3 in the opening section above, then we should exit/not enter that market.
3. Even when the basic financial requirements are met, we should also have a minimum profit level before entering into a venture. This is because a £3,000 income stream with a 10% profit can take up as much time to manage as a £100,000 with a 10% profit. Two or three £3,000 ventures can take up all available capacity. It would also be the case that if staff looking for opportunities don't have a basic hurdle rate, then they will be looking for any level of income which may not be the best use of our resource.
4. We do not have capacity then we don't add more business until we do have the capacity in place.
5. We have a plan from inception to final cash collection in place BEFORE we take on any income. Very often we commit to the income and have no plan resulting in an unplanned process which can require you to "drop everything else".
6. We assign responsibility for the plan and performance to an owner.
7. We do not fund or shore up commercial businesses with public funds.

Another important consideration for commercial businesses is their impact on our core businesses. This is an important consideration as the graph below shows the size of our, currently defined, commercial businesses relative to our core HE/FE business. Any work carried out by professional services, and sometimes our academic areas, on commercial businesses is time lost to our core businesses.

Budget Income 22/23 £M



The final area to consider before looking at individual business performance is the allocation of overheads. Commercial businesses will argue that they should only pay for the overhead that they consume. While this makes sense at one level, in practice this would result in a continuous debate over what overhead each business has used AND you would also need to add finance staff to carry out detailed analysis. Where would this debate stop ... “I only had three staff in the canteen last week so I should only be allocated ((3/total staff in the canteen) * total canteen cost), and this has to be adjusted as they all had salads, so we want to pay less for electricity and gas consumption”. Most organisations avoid doing detailed overhead allocation and prefer each business to take an equal share of the overall overhead. This document follows that principle.

The commercial businesses covered in this document are:

- ASW
- AST
- Nursery
- Residences
- Research
- International and Commercial Skills

Academy for Sport and Wellbeing (ASW)

Should ASW be categorised as an overhead or as a commercial business? Your definition at question 1 in the opening section will allow you to answer this question. While ASW has student members it has more non-student members, and the facility would be available to students whether the commercial part of the business existed or not. There are a number of commercial gyms in Perth and an upgraded council facility has recently opened which has created more competition, however, ASW has a loyal membership which continues to grow.

ASW was originally set-up to support the curriculum and reduce external hire fees for curriculum delivery. At some point during construction, it was decided to create a commercial business to generate income for the college.

From a finance perspective, ASW is deemed a commercial business and therefore driven to create profitable income. The budget for 22/23 shows ASW making a small gross margin loss (which means it is not covering its own direct costs). When an equal share of overhead is applied then ASW makes a significant loss. This financial performance has been consistent for a number of years.

ASW does however also significantly support college recruitment and offers high numbers of student workplacements, many of those students ultimately creating their own sport and wellbeing businesses. In addition, bringing commercial customers and other members of the community onto campus for ASW activities and events stimulates applications, however this is difficult to quantify and therefore recognition of that function is not included within any of the commercial performance data.

| | |
|-------------------|-----------|
| Income | 546,988 |
| | £ |
| Staff Cost | 461,579 |
| Non-Staff Cost | 98,424 |
| Gross Profit | (13,015) |
| Gross Margin | (2.4)% |
| Ohd Allocation | 176,713 |
| Surplus/(Deficit) | (189,728) |
| % of income | (34.7)% |

The key financial issue for ASW is that it was set up within the college and not as standalone limited company. This means that staff receive salaries and pensions much higher than they could earn in the private sector. ASW don't have much flexibility around price levels as they are in a competitive market which results in the performance above. Despite significant levels of hard work by the ASW team, the cost and price position noted above means that they can never make a profit or even break-even.

There is a proposal to invest around £160K of funds raised through the Development Trust into football pitches which would create an additional outdoor classroom and provide the opportunity to generate a projected profitable revenue, thereby adding an improved margin to ASW. The market data which was prepared pre-covid is being revisited to confirm the projections.

Air Service Training (AST)

The first thing to note is that the numbers below are different to the budget approved by the AST Board. This is done to convert published accounting numbers into management accounts. Key changes include:

- The cost of depreciation has been removed.
- The £100K overhead that AST pay to the College has been removed and replaced with an equal share of college overhead.

For several years AST gift aided approximately £150 - 200k annual profits to UHI Perth over the last 10 years. Recently, cash flow difficulties have meant that AST have not been able to gift aid profits to the college and the Board of Management have allowed AST not to pay anything to UHI Perth for 2021/22. This decision would be reviewed annually for a 3 year period. Financial challenges will remain for some time to come and cash challenges could intensify quickly.

UHI Perth cannot offer financial support to AST but UHI EO could offer financial support or consideration could be given towards potentially offering shares within AST or the creation of a different ownership structure, particularly where opportunities to commercialise IP exist.

| | |
|-------------------|----------------|
| Income | £ 1,974,615 |
| Staff Cost | 1,329,370 |
| Non-Staff Cost | 516,590 |
| Gross Profit | 128,655 |
| Gross Margin | 6.5% |
| Ohd Allocation | 637,929 |
| Surplus/(Deficit) | (509,274) |
| % of income | (25.8)% |

A paper on the ownership of AST was reviewed at the Board in 2021 with a decision to retain ownership taken at that time. This review could be revisited on the basis of the current scenarios facing AST as deemed appropriate by the Board. From a college perspective, AST are not a critical element of UHI Perth offerings/numbers today.

Nursery

Similar to ASW, the nursery:

- Was set up within the college rather than as a standalone limited company.
- Salaries and pensions are at public sector levels, which are much higher than a staff member would earn in the private sector.
- Prices can't be raised as the nursery is in a competitive market.

The nursery has 30 children on average (numbers vary each day). There are a number of commercial nurseries in Perth and students would receive funding for their children if they went to a competitor's nursery rather than Perth.

| | £ |
|-------------------|-----------|
| Income | 217,488 |
| Staff Cost | 348,627 |
| Non-Staff Cost | 26,275 |
| Gross Profit | (157,414) |
| Gross Margin | (72.4)% |
| Ohd Allocation | 70,263 |
| Surplus/(Deficit) | (227,677) |
| % of income | (104.7)% |

Another consideration for the nursery is how long the current building will remain fit for purpose.

Residences

Our residences are a success story. Our residences are always at full capacity (outside of COVID) and we let out our residences over the summer to bring in additional income.

| | £ |
|-------------------|---------|
| Income | 337,176 |
| Staff Cost | 0 |
| Non-Staff Cost | 210,055 |
| Gross Profit | 127,121 |
| Gross Margin | 37.7% |
| Ohd Allocation | 108,930 |
| Surplus/(Deficit) | 18,191 |
| % of income | 5.4% |

Residences have a benefit over some of our other commercial businesses as there is limited student accommodation (competition) in Perth relative to the number of students with demand greater than supply. This scenario can also mean UHI Perth is capacity constrained for recruitment where we are aiming to attract students to Perth for our USP courses. This will be discussed within the Estates Master Planning work being undertaken in partnership with Perth and Kinross Council.

Research (Mountain Studies)

Research has been included under commercial as most of their income does not originate from SFC core funding. It may be decided that research should have different financial performance requirements to other commercial businesses, but these requirements should be documented and measured. For this paper, the research surplus/deficit calculation is presented on the same basis as other commercial businesses in this paper.

| | £ |
|-------------------|----------|
| Income | 172,278 |
| Staff Cost | 171,733 |
| Non-Staff Cost | 10,450 |
| Gross Profit | (9,905) |
| Gross Margin | (5.7)% |
| Ohd Allocation | 55,657 |
| Surplus/Deficit | (65,562) |
| % of income | (38.1)% |

International & Commercial Skills

Commercial skills are made up of Foundation Apprenticeships (SFC credit funded from 2022/23), Modern Apprenticeships, Managing Agents and Flexible Workforce Development Fund (FWDF).

Currently the profitability of International and Commercial Skills is unknown. Splitting costs is difficult as some courses have core SFC funded students as well as International or Commercial Skills students. Academic staff are based in academic cost centres so moving the relevant portion of academic cost against the correct income stream is not possible today. To capture cost information on an actual basis a process would require:

- Academics to time-write so that we know how much time they spent on international and commercial skills courses and
- An understanding of the student split across relevant courses on a daily basis.

This process could be achieved but would require further capacity in finance and academic staff willing to, and remembering to, time-write against specific courses.

Although there is no actual process today, we should be able to get an understanding of International and Commercial Skills profitability when we carry out the budget in March 2023. Models have been developed that will capture this information.

Another issue, from a financial perspective, is that there is no dedicated owner of these categories with a collaborative business development and delivery model in place. International and Business Development teams look for income while academic areas carry out the delivery.

On this basis, the following questions are presented to the Committee for consideration.

Q - Should International and Commercial Skills be commercial businesses in their own right?

Q - Should International and Commercial Skills be rolled in with student numbers and course profitability rather than being tracked as separate commercial businesses?

Q - Should academic Sector Development Directors (SDD's) be setting out the student numbers they require to maximise their course profitability and capacity?

Conclusion

The answers to questions 1-3 in the Context section of this paper will provide a basis for your decision making.

From a finance perspective, the current and future challenges to financial sustainability require UHI Perth to consider whether we have the funds and expertise to do all things we are doing today, is it time to reduce our complexity and in doing so reduce cost, risk, and capacity pressures?

In writing this paper there is a strong case that we have five commercial businesses and only one of these is making a surplus once the standard college overhead is applied.

International and Commercial Skills have not yet been fully quantified for the reasons outlined above.

Q - Can we afford/justify the commercial businesses unable to return a full profit in the format they are in today?

In the short to medium term, it may be more appropriate for International and Commercial Skills to be considered under student numbers and course profitability rather than as standalone commercial businesses.

Final Consideration

It should be noted that by reducing the cost of our commercial businesses, and/or by exiting should also see a reduction in overheads. However, overhead reduction is difficult to identify as matching overhead with a specific business is very difficult as noted under "Complexity = Cost" above.

Recommendation

The Committee is asked to review the content of the paper ahead of the discussion within the meeting in order that key parameters can be set for the creation of a College Commercial Strategy which will overarch the enabling International, Business Development and Development Trust refreshed Strategies.

Perth College UHI

Paper No. 4

| | |
|---|--|
| Committee | Strategic Development Committee |
| Subject | KPI Prioritisation |
| Date of Committee meeting | 05/11/2022 |
| Author | Lorenz Cairns, Depute Principal |
| Date paper prepared | 30/11/2022 |
| Executive summary of the paper | <p>Please outline the follow elements of this paper:</p> <ul style="list-style-type: none"> i) Purpose – what is it for ii) Impact – what are the intended outcomes iii) Course of Action – what happens next & by whom <p>This paper seeks endorsement of Strategic Development Committee regarding the prioritised KPIs relating to the Perth College Strategic Plan 2022-27.</p> <p>These KPIs will then be monitored by Board Members via a Balanced Scorecard methodology, while the remaining KPIs are monitored locally.</p> |
| <p>Consultation</p> <p>Please note which related parties, stakeholders and/or Committees have been consulted</p> | <p>Extensive consultation throughout the Strategic Plan development and implementation process.</p> |
| Action requested | <ul style="list-style-type: none"> <input type="checkbox"/> For information <input checked="" type="checkbox"/> For discussion <input checked="" type="checkbox"/> For endorsement <input type="checkbox"/> Strongly recommended for approval <input type="checkbox"/> Recommended with guidance (please provide further information, below) |

Perth College UHI

| | |
|--|---|
| <p>Resource implications</p> <p>Does this activity/proposal require the use of College resources to implement?</p> <p>If yes, please provide details.</p> | <p>No</p> |
| <p>Risk implications</p> <p>Does this activity/proposal come with any associated risk to the College, or mitigate against existing risk?</p> <p>(If yes, please provide details)</p> | <p>No</p> <p>Click or tap here to enter text.</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 provide further information | <p>KPIs are a fundamental building block in monitoring progress towards strategic aims.</p> |
| <p><u>Equality and diversity</u></p> <p>Does this activity/proposal require an Equality Impact Assessment?</p> <p>If yes, please give details:</p> | <p>No</p> |
| <p><u>Data Protection</u></p> <p>Does this activity/proposal require a Data Protection Impact Assessment?</p> <p>If yes, please give details:</p> | <p>No</p> <p>Click or tap here to enter text.</p> |
| | |

Perth College UHI

| | |
|--|---|
| <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>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>Yes</p> |

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

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

| Balanced Scorecard 2022-27 | | | | | | | | | 2022-23 | |
|--|---|--|----------------------------|------------|------------------|----------|-----------------------|-------------|---------|--|
| No | College Strategy 2022-27 | Strategic KPI | Data Provider | Data Owner | SMT Member | Baseline | Target (Over 5 years) | Current RAG | Trend | |
| Excellence in Learning and the Learner Experience | | | | | | | | | | |
| SO1: The Learner Experience | | | | | | | | | | |
| 1 | Increasing retention, attainment, achievement, progression and student satisfaction to sector leading levels before | Increase student retention (over 5 years): | | | | | | | | |
| | | a) FE by 7% | Head of Student Experience | CMT | VP Curriculum | 72% | 80% | | | |
| 2 | | b) HE by 5% | Head of Student Experience | CMT | VP Curriculum | 87% | 92% | | | |
| | | Increase student achievement (over 5 years) | | | | | | | | |
| | | a) FE by 12% | Head of Student Experience | CMT | VP Curriculum | 62% | 74% | | | |
| 3 | Increase student satisfaction | a) HE by 9% | Head of Student Experience | CMT | VP Curriculum | 71% | 80% | | | |
| | | Student Early Survey (SF1) | | | | | | | | |
| | | a) FE by 2% over 5 years | Quality Manager | CMT | VP Curriculum | 96% | 98% | | | |
| | | b) HE by 7% over 5 years | Quality Manager | CMT | VP Curriculum | 91% | 98% | | | |
| 4 | Strengthen and develop an agile, innovative and dynamic portfolio that responds to regional and Scottish Govt priorities and key sector needs | Student Experience Survey (SF3): | | | | | | | | |
| | | a) FE by 6% over 5 years | Quality Manager | CMT | VP Curriculum | 92% | 98% | | | |
| | | b) HE by 9% over 5 years | Quality Manager | CMT | VP Curriculum | 89% | 98% | | | |
| | | Continue to annually review the curriculum portfolio and increase overall redesign of our courses by 25% | Head of Student Experience | CMT | VP Curriculum | 50% | 75% | | | |
| 5 | Value/leverage (£) by partnership | Margin/revenue - overhead recovery +1% by year 5 | | | CMT | VPEE | | +1% | | |
| College Growth and Ambition | | | | | | | | | | |
| SO1: Our Culture | | | | | | | | | | |
| 1 | Staff survey results from 2021 are improved in the following areas over the next 5 years (next survey to take place in 2024): | Monthly initiative around one of our values | Head of HROD | CMT | Depute Principal | 0 | | | | |
| SO4: Our Ways of Working | | | | | | | | | | |
| 2 | We will enhance and improve our systems and processes, driving high quality outcomes | Number of services/processes improved - right first time | VPO | CMT | VPO | 0 | 12 | | | |
| SO5: Digital Transformation | | | | | | | | | | |
| 3 | Percentage staff/learners with improved Digital Skills | Identify digital competence framework for each job role | Head of HROD | CMT | VPO | 0 | Baseline | | | |
| Partnerships and Collaboration | | | | | | | | | | |
| SO1: Relationships | | | | | | | | | | |
| 1 | Percentage strategic partnerships v proportion of external engagements | Increase from 5% by 1% pa | Head of BD | Head of BD | VPEE | 5% | 10% | | | |
| SO2: Commercial Enterprise and Innovation | | | | | | | | | | |
| 2 | Commercial AOP/Commercial Income (per college area) | Gross overhead +1% by Year 5 | Head of BD | Head of BD | VPEE | | +1% | | | |
| Sustainability | | | | | | | | | | |
| SO2: Reinvestment Planning | | | | | | | | | | |
| 1 | At the end of the strategic cycle (5 years) have the following cost/income ratios: | Staff Cost/Income | VPO | CMT | VPO | 78% | 70% | | | |
| 2 | | Non-Staff Cost/Income | | | | 19% | 21% | | | |
| Definitions: | | | | | | | | | | |
| Strategic KPI - key performance indicator reportable at board level | | | | | | | | | | |
| Data Provider - person who can provide the kpi data | | | | | | | | | | |
| Data Owner - CMT is responsible for monitoring and driving these kpis | | | | | | | | | | |
| SMT Member - accountable member of SMT | | | | | | | | | | |
| Baseline - the current value for tracking progress against | | | | | | | | | | |
| Target - the set figure to be achieved by the end of the strategic cycle | | | | | | | | | | |
| College Committee Key: | | | | | | | | | | |
| CASE - Curriculum and Student Experience | | | | | | | | | | |
| CMT - Corporate Management Team | | | | | | | | | | |

Excellence in Learning and the Learning Experience

Strategic Objective: The Learner Experience

KPI
Target 1. Raising awareness and promoting health and student wellbeing/safety by ensuring staff have the skills and knowledge to respond effectively to the range of student
Increase participation rates by 10% over 5 years

| Our Team Can Support This Target by: | How Our Team Will Measure Our Success |
|--------------------------------------|---------------------------------------|
| 1 | 1 |
| 2 | 2 |
| 3 | 3 |
| 4 | 4 |
| 5 | 5 |

KPI
Target 2. Increasing retention, attainment, achievement, progression and student satisfaction to sector-leading levels before 2027
Increase student retention (over 5 years): FE by 7% to 80% and HE by 5% to 92%

| Our Team Can Support This Target by: | How Our Team Will Measure Our Success |
|--------------------------------------|---------------------------------------|
| 1 | 1 |
| 2 | 2 |
| 3 | 3 |
| 4 | 4 |
| 5 | 5 |

Target Increase student progression (over 5 years): FE & HE by 13% to 85%

| Our Team Can Support This Target by: | How Our Team Will Measure Our Success |
|--------------------------------------|---------------------------------------|
| 1 | 1 |
| 2 | 2 |
| 3 | 3 |
| 4 | 4 |
| 5 | 5 |

Target Increase student achievement (over 5 years): FE by 12% to 74% and HE by 9% to 80%

| Our Team Can Support This Target by: | How Our Team Will Measure Our Success |
|--------------------------------------|---------------------------------------|
| 1 | 1 |
| 2 | 2 |
| 3 | 3 |
| 4 | 4 |
| 5 | 5 |

KPI 3. Increase student satisfaction

Target

Early Student Experience Survey (ESES): FE by 2% to 98% over 5 years and HE by 7% to 98% over 5 years

| Our Team Can Support This Target by: | How Our Team Will Measure Our Success |
|--------------------------------------|---------------------------------------|
| 1 | 1 |
| 2 | 2 |
| 3 | 3 |
| 4 | 4 |
| 5 | 5 |

Target

Student Satisfaction and Experience Survey (SSES): FE by 6% to 98% over 5 years and HE by 9% to 98% over 5 years

| Our Team Can Support This Target by: | How Our Team Will Measure Our Success |
|--------------------------------------|---------------------------------------|
| 1 | 1 |
| 2 | 2 |
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| 5 | 5 |

KPI

4. Increase student response rates to learner surveys

Target

Early Student Experience Survey (ESES): FE by 20% to 60% over 5 years and HE by 10% to 70% over 5 years

| Our Team Can Support This Target by: | How Our Team Will Measure Our Success |
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Target

Student Satisfaction and Experience Survey (SSES): FE by 13% to 65% over 5 years and HE by 20% to 60% over 5 years

| Our Team Can Support This Target by: | How Our Team Will Measure Our Success |
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KPI

5. Increase proportion of classes with a Student Voice Representative FE and HE

Target

By 20% to 60% over 5 years

| Our Team Can Support This Target by: | How Our Team Will Measure Our Success |
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KPI 6. Increase the number of Student Forums

Target By 20% to 80% over 5 years

| Our Team Can Support This Target by: | How Our Team Will Measure Our Success |
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KPI 7. Our student experience will offer transformational opportunities and we will continue to enable our learners to

Target Challenge and question what they believe to be true

| Our Team Can Support This Target by: | How Our Team Will Measure Our Success |
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Target Be open to change and interpret information more critically

| Our Team Can Support This Target by: | How Our Team Will Measure Our Success |
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Target Consider pursuing options for advancement that they instinctively or historically considered impossible

| Our Team Can Support This Target by: | How Our Team Will Measure Our Success |
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Target Bring their perspectives to the learning environment to influence and enhance their learning experience

| Our Team Can Support This Target by: | How Our Team Will Measure Our Success |
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Target Apply their skills and knowledge in real-world practice and challenge strongly held beliefs and opinions

| Our Team Can Support This Target by: | How Our Team Will Measure Our Success |
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Target Recognise observable differences, from before, during and on completion of the learner journey

| Our Team Can Support This Target by: | How Our Team Will Measure Our Success |
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Strategic Objective: Co-Creative and Progressive Curricula

KPI 1. Strengthen and develop an agile, innovative and dynamic portfolio with pathways that respond to the regional and Scottish Governments priorities and key sector needs

Continue to annually review the curriculum portfolio and increase overall redesign of our courses by 25% (to 75%) over 5 years

| Our Team Can Support This Target by: | How Our Team Will Measure Our Success |
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KPI 2. Informed by industry, increase the number of digitally enabled innovative pedagogies (DEIP) which respond more dynamically to current and future learner needs

Continue to increase the number of courses using DEIP by 35% (to 95%) over 5 years.

| Our Team Can Support This Target by: | How Our Team Will Measure Our Success |
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Strategic Objective: Industry Focused

KPI Increase percentage of courses adapted in response to employer feedback – from 50% to 70%, over 5 years

Increase percentage of courses adapted in response to employer feedback – from 50% to 70%, over 5 years

| Our Team Can Support This Target by: | How Our Team Will Measure Our Success |
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Strategic Objective: Academic Partnerships

KPI Value/leverage (£) by partnership (margin/revenue – College overhead recovery +1% by year 5)

Value/leverage (£) by partnership (margin/revenue – College overhead recovery +1% by year 5)

| Our Team Can Support This Target by: | How Our Team Will Measure Our Success |
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Strategic Objective: Research & Scholarship

KPI Increase number of staff leading projects with research time allocated, from 6 to 12 over 5 years

Increase number of staff leading projects with research time allocated, from 6 to 12 over 5 years

| Our Team Can Support This Target by: | How Our Team Will Measure Our Success |
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Sustainability

Strategic Objective: Financial Management

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|--------|---|---------------------------------------|
| KPI | Enhancement of financial forecasting | |
| Target | Year 1 - Budget plus one financial forecast, Year 2 - budget plus 2 financial forecasts, Year 3 - budget plus 3 financial forecasts, Year 4 - Rolling Forecasts | |
| | Our Team Can Support This Target by: | How Our Team Will Measure Our Success |
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Strategic Objective: Reinvestment Planning

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|--------|---|---------------------------------------|
| KPI | At the end of the strategic cycle (assuming 5 years) we will have the following cost/ income ratios | |
| Target | Staff costs/Income 70% | |
| | Our Team Can Support This Target by: | How Our Team Will Measure Our Success |
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|--------|--------------------------------------|---------------------------------------|
| Target | Non-Staff Costs / Income 21% | |
| | Our Team Can Support This Target by: | How Our Team Will Measure Our Success |
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|--------|--------------------------------------|---------------------------------------|
| Target | Investment Income /Income 5% | |
| | Our Team Can Support This Target by: | How Our Team Will Measure Our Success |
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Strategic Objective: Environmental Sustainability

KPI Percentage Carbon Footprint Reduction

Target 2% pa (10% over 5 years)

Our Team Can Support This Target by:

How Our Team Will Measure Our Success

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College Growth & Ambition

Strategic Objective: Our Culture

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|--------|---|---------------------------------------|
| KPI | 1. Staff survey results from 2021 are improved | |
| Target | Staff have a clear understanding of the College's values. Increase to 90% (2021 result 72%) | |
| | Our Team Can Support This Target by: | How Our Team Will Measure Our Success |
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|--------|--|---------------------------------------|
| Target | Values of the College are relevant to my work. Increase to 90% (2021 result 76%) | |
| | Our Team Can Support This Target by: | How Our Team Will Measure Our Success |
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| | 3 | 3 |
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|--------|--|---------------------------------------|
| KPI | 2. Monthly initiative around one of the values | |
| Target | Monthly initiative around one of the values | |
| | Our Team Can Support This Target by: | How Our Team Will Measure Our Success |
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Strategic Objective: Our Staff

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|--------|--|---------------------------------------|
| KPI | Staff survey results from 2021 are improved on for the following areas (next survey to take place in 2024) | |
| Target | I believe the College support the health and wellbeing of staff from 54% to 80% | |
| | Our Team Can Support This Target by: | How Our Team Will Measure Our Success |
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Target

I am kept informed about what is happening in the College from 71% to 85%

Our Team Can Support This Target by:

How Our Team Will Measure Our Success

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Target

The leadership team provide clear direction and guidance from 42% to 80%

Our Team Can Support This Target by:

How Our Team Will Measure Our Success

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Target

Through the Professional Review process, I feel my training needs and ambitions are discussed, identified and actioned where possible from 64% to 80%

Our Team Can Support This Target by:

How Our Team Will Measure Our Success

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Strategic Objective: Our College

KPI Increase the percentage of positive coverage (locally, regionally, nationally, internationally).

Target To 80% by Year 5

Our Team Can Support This Target by:

How Our Team Will Measure Our Success

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Strategic Objective: Our Ways of Working

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|--------|--|
| KPI | Efficiency/time saved (days/hours/minutes) |
| Target | Creation of an Effectiveness and Efficiency Development Strategy |
| | Our Team Can Support This Target by: |
| | How Our Team Will Measure Our Success |
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| KPI | Number Services/ Processes Improved - right first time: July 2023 - 4, July 2024 - 8, July 2025 - 12 |
| | Our Team Can Support This Target by: |
| | How Our Team Will Measure Our Success |
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Strategic Objective: Digital Transformation

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|--------|---|
| Target | Percentage staff/learners with improved Digital Skills |
| KPI | Identify digital competence framework for each job role |
| | Our Team Can Support This Target by: |
| | How Our Team Will Measure Our Success |
| 1 | 1 |
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|-----|---|
| KPI | Digital JISC competence tool completion by staff and students: 50% by July 2023, 75% by July 2024, 90% by July 2025 |
|-----|---|

| Our Team Can Support This Target by: | How Our Team Will Measure Our Success |
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| 5 | 5 |

Develop Maker Spaces/Innovation Hubs to enable staff to improve their digital capability

| Our Team Can Support This Target by: | How Our Team Will Measure Our Success |
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KPI

Partnerships & Collaboration

Strategic Objective: Relationships

KPI 1. Percentage strategic partnerships v proportion of external engagements

Target Increase from 5% by 1% pa

Our Team Can Support This Target by:

How Our Team Will Measure Our Success

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KPI 2. Percentage learner/customer satisfaction with overall quality of courses

Target Increase student retention (over 5 years): FE by 7% to 80% and HE by 5% to 92%

Our Team Can Support This Target by:

How Our Team Will Measure Our Success

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Strategic Objective: Commercial Enterprise & Innovation

KPI 1. Commercial AOP / Commercial Income (per college area)

Target Gross Overhead +1% by Year 5

Our Team Can Support This Target by:

How Our Team Will Measure Our Success

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Strategic Development Committee - Terms of Reference

Membership

No fewer than 3 Independent Members of the Board of Management

College Principal

1 Staff Member of the Board of Management

2 Student Members, to be nominated by HISA Perth

In attendance

Depute Principal

Vice Principal (Academic)

Vice Principal (External Engagement)

Vice Principal (Operations)

Quorum

The quorum shall be 4 members

Frequency of Meetings

The Committee shall meet no less than three times per year.

Terms of Reference

- To actively engage in the development, review and monitoring of the College's Strategic Plan;
- To consider and approve other appropriate College Strategies, in particular those that seek to grow non-SFC income for the College;
- To consider matters relating to community outreach and the participation of the college in the delivery of major partnership projects;
- To keep under review the regional and national economy and market trends to help advise on the alignment of the curriculum;
- To monitor risks associated with commercial and international income and make appropriate recommendations to the Audit Committee;
- The Strategic Development Committee shall meet jointly with Finance & Resources Committee on an annual basis to ensure there is sufficient scrutiny of resource implications of potential proposal and recommendations taken forward by Strategic Development Committee.

ToR Reviewed January 2022