

Strategic Development Committee

Minutes

Meeting reference: SDC 2022-23/02

Date: Monday 05 December 2022

Location: Boardroom (Braham Room 019)

Members present: Andrew Comrie, Board Member (Chair)
Michael Buchanan, Board Member
Heather Cormack, Board Member
Sheena Devlin, Board Member
Jenny Hamilton, Board Member (to Item 6.6)
Derek Waugh, Board Member
John Dare, Staff Board Member (to Item 6.4)
Todor Pavlov-Kennedy, Student Board Member
Margaret Cook, Principal (to Item 6.6)

In attendance: Lorenz Cairns, Depute Principal
Veronica Lynch, Vice Principal (External)
Catherine Etri, Vice Principal (Academic)
Iain Wishart, Vice Principal (Operations)
Ian McCartney, Clerk to the Board
Mark Taylor, AST General Manager (Item 6.1 only)

Apologies: Charlea Jefts, HISA Perth Depute President Activities & Welfare

Chair: **Andrew Comrie**

Minute Taker: Ian McCartney

Quorum: 3

Minutes:

Item		Action
1.	Welcome and Apologies Chair welcomed all present to the meeting, and noted apologies.	
2.	Additions to the Agenda There were no additions to the Agenda. Chair noted a rescheduling of some Agenda items to facilitate the prompt departure of the Principal.	
3.	Declaration of Interest in any Agenda Item No interests were declared	
4.	Minutes of Meeting held on 21 September 2022 The minutes were agreed as being an accurate record of the meeting.	
5.	Matters Arising from Previous Minutes <u>Actions outstanding from prior meetings: 02 November 2021</u> <u>Item 6.3 – Commercial/Non-Core Business Strategy</u> Action 3: Provide further report on Commercial activity following College Strategy approval Action Update: On Agenda under Item 6.2 <u>Item 6.5 – Development Trust</u> Action: Provide Committee with more information including presentation by representative of Trust Action Update: On Agenda under Item 6.6	

6	Items for Discussion	
6.1	<p data-bbox="268 208 874 241">AST Digital Sales & Business Recovery</p> <p data-bbox="268 275 1214 461">AST General Manager presented Paper 2, details future budget performance, potential mitigation actions and laying out a possible Digital strategy for training notes development and sales re Air Service Training. Paper was being presented as part of acknowledgement of strategic investment both past and future.</p> <p data-bbox="268 495 1249 680">AST General Manager noted the coalescence of contracts coming to an end with new contracts and opportunities not yet fully on stream, which has provided some challenges around cashflow, however without significant investment in training equipment over the last couple of year, the position would be much worse.</p> <p data-bbox="268 714 1249 824">AST General Manager provided detail around the proposed digital sales strategy, noting the fundamental differences between AST and the current market leader in this area.</p> <p data-bbox="268 857 1262 1010">Board Member queried how AST can be first to market. AST General Manager advised that the AST brand was key to success – by getting the products and pricing right there is confidence that significant inroads can be made in this marketplace.</p> <p data-bbox="268 1043 1249 1229">Board Member queried pricing points. AST General Manager acknowledged that AST’s current prices are way out of sync with the market, and this is under review to be updated before year end, however due to differentiation in training materials, AST will not be priced to compete directly with market leader.</p> <p data-bbox="268 1263 1235 1415">Student Board Member queried potential impact on students. AST General Manager advised that current students will be through their courses before proposed changes, while future individual students will see changes progressively.</p> <p data-bbox="268 1449 1249 1671">Chair asked around timelines for development of the materials, and associated costs. AST General Manager advised that an opportunity exists within the current staff cohort to fund this exercise. Depute Principal advised that now more than ever the public have more choice and expectations are high, therefore would encourage getting done right over getting done quickly.</p> <p data-bbox="268 1704 1235 1780">Chair advised that it would be useful to see the levels of investment required before final proposals go to Board.</p> <p data-bbox="268 1814 1262 1890">Committee NOTED Paper 2 and thanked AST General Manager for a useful paper.</p>	

6.2**Commercial Business Overview**

Vice Principal (Operations) presented Paper 3 to provide an overview of the current status of non-SFC funded activity and was working on a wider paper based on this issue for consideration at Finance & Resources Committee and the Board.

Vice Principal (Operations) noted that the background to the paper was the threat to the sector, and how Perth College can do to mitigate against predicted issues. Vice Principal (Operations) outlined 3 key questions to determine definition and purpose of “commercial” aspects of the College.

Board Member noted that surplus net income being brought into the College to provide additional income to the core business of the College would be a decent starting point.

Board Member advised that the question around core competence needs to be asked, eg making money out of teaching in ASW vs making money of out providing a nursery, however how is benefit to student numbers around provision of services calculated?

Board Member advised that nursery funding follows the child not the provider, therefore it would be sensible looking at this area within the context of the Masterplan work.

Chair advised that it would be worth looking at a fully commercial operation for ASW with College usage charged as required. Vice Principal (Academic) noted that ASW is business critical for the College due to the classroom provision.

Vice Principal (External) advised that it is difficult to quantify the impact of ASW on recruitment numbers due to people coming onto campus that wouldn't otherwise have done so.

Board Member suggested that it would be useful to see an overlay of management recommendations to balance discussions and decisions against, and further suggested that it would be useful to know how much can be explored with PKC to determine what areas of community engagement fall within the responsibility of the College. Chair agreed that there needs to be some modelling of options.

Board Member stated that if facilities provide benefits around recruitment and retention, this provides a reason to subsidise if required, however there is clearly a need for streamlining and simplifying portfolios as each commercial area is accessing Professional Services, which provides opportunities to save management costs.

	<p>Board Member queried whether a Management Fee approach would allow “beneficial” elements to be costed in.</p> <p>Board Member stated that argument keeps coming around to what is the definition of commercial, with an attendant risk of withdrawing from elements that are integral to teaching. Board Member argued that there needs to be an identified level of subsidy that is acceptable to the College.</p> <p>Chair noted the similarity of Council models re Management Fees and other mechanisms. The next step would appear to be the generation of “What if?” scenarios to assess commercial functions’ contribution to the core curriculum and the student experience.</p> <p>Board Member queried where Research would fit into the equation. Principal noted that a proportion of the funding is REF money, but historically research has made the College quite a bit of money. Research feels different to the other “commercial” areas.</p> <p>Chair queried hurdle rates. Vice Principal (Operations) advised that these started at 32%, however there is a need to factor in other elements. Chair advised that care needs to not set these too high, and a differentiated model may be preferable, eg for maturity of business vs start-up.</p> <p>Chair thanked Members for the discussion and Committee NOTED Paper 3.</p>	
<p>6.4</p>	<p>UHI 2024 – progress update</p> <p>Principal provided a verbal update on progress to date re the UHI2024 initiative, advising that the Interim Chair had taken up a position on the Programme Board and that Principal was leading on the Shared Services workstream.</p> <p>Principal noted that it was difficult to see short-term savings re Shared Services as there has been chronic under-investment which will need to be addressed before Shared Services make enough sense to be able to generate economies of scale.</p> <p>Board Member queried what Court’s expectations are. Principal advised that significant savings were expected by 2024</p> <p>Principal noted that Workstream Leads were meeting with the Programme Board every 2 weeks which is useful. The UHI Court on 15th December will be looking at overall cost saving.</p>	

<p>6.6</p>	<p>Development Trust</p> <p>Principal advised on a number of issues affecting the Development Trust, noting that a review of the Deed of Trust and the OSCR registration for the Trust had identified some governance issues that would need to be addressed.</p> <p>Principal further noted that discussions were ongoing around some areas of improvement to the day-to-day operations of the Trust, including how best to improve alumni relations.</p> <p>A paper will be brought back to next meeting.</p>	<p>Principal</p>
<p>6.3</p>	<p>KPI Prioritisation</p> <p>Depute Principal presented Paper 4, and summarised the iterative steps taken to reach this point before outlining the proposed 12 prioritised KPIs, which would then be monitored at Board level via a Balanced Scorecard approach.</p> <p>Chair opened the floor to Committee in order to agree that these 12 KPIs were the preferred option.</p> <p>Board Member suggested that Environmental Sustainability is now a standard measure for Boards to monitor and lead on, which Chair agreed with. Depute Principal reminded Committee that all KPIs will remain and be monitored. Board Member argued that, given latest positioning around Net Zero, Environmental Sustainability is a politically charged issue and it would be remiss for Board not to regularly monitor progress.</p> <p>Committee AGREED that Environmental Sustainability should be added to the Prioritised list of KPIs.</p> <p>Following a request for clarification from a Board Member, it was AGREED that the Balanced Scorecard around the Prioritised KPIs would be presented for monitoring each Board Cycle, and the remaining “below the line” KPIs would be presented annually.</p> <p>Board Member queried whether the Balanced Scorecard would allow for some measure of efficacy and impact, and whether there would be qualitative data as well as quantitative, for example around measures for Partnerships & Collaboration Strategic Objective 1. Depute Principal noted these comments and would re-examine who these could be best achieved.</p> <p>Committee ENDORSED Paper 4 with amendments as noted.</p>	

6.5	<p>UHI Engagement Strategy</p> <p>Vice Principal (External) advised that despite the departure of the Vice Principal at UHI who was leading the Engagement Strategy, discussions were still ongoing, although the launch of the Strategy had now been deferred to spring 2023.</p> <p>Vice Principal (External) advised that Perth College continues to work with UHI on the Together Campaign, and this will be updated to Committee at a future meeting.</p> <p>Vice Principal (External) noted that the Development Trust Strategy is likely to provide the biggest impact for Perth College within the wider UHI strategy.</p>	
7	<p>Date and time of next meeting:</p> <ul style="list-style-type: none"> Thursday 02 March 2023 @ 5:00pm (includes joint meeting with Finance & Resources Committee) 	
8	<p>Review of Meeting</p> <p>Committee confirmed the business of the meeting had been compliant with the Terms of Reference.</p>	

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

Status of Minutes – Open (Except Item 6.2)

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**