

Board of Management

Agenda (revised)

Meeting reference: Board 2024-25/03
Date: Wednesday 16 April 2025 at 5.00pm
Location: ASW Room 961
Purpose: Rescheduled meeting

* Denotes items for discussion/approval.
 Members should contact the Secretary in advance of the meeting if they wish to request an item be starred.

	Agenda Items	Author	Led by	Paper
1	Welcome and Apologies		Interim Chair	
2	Interim Chair Statement		Interim Chair	Verbal
3a	Board Committees – Member Allocations	Interim Chair	Interim Chair	Paper 18
3b	Future Meeting Arrangements		Interim Chair	Verbal
4	Additions to the Agenda		Interim Chair	
5	Declaration of a Conflict of Interest in any Agenda Item		Interim Chair	
*6a	Minutes of the Board meeting held on 18 December 2024	Clerk	Interim Chair	Paper 1
*6b	Minutes of the Extraordinary Board meeting held on 04 February 2025	Clerk	Interim Chair	Paper 2
*6c	Minutes of the Extraordinary Board meeting held on 06 March 2025	Clerk	Interim Chair	Paper 3
7	Actions arising from previous minutes		Interim Chair	Verbal
8	Standing Reports			
8.1	UHI Transitions Project Update		Principal	Paper 4
8.2	Principal's Report		Principal	Paper 5
8.3	HISA Perth Report		HISA Perth	Paper 6
9	Audits & Financial Reporting			
9.1	UHI Perth Management Accounts: Year to 31 January 2025	Director of Finance	Depute Principal (Operations)	Paper 12

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	Agenda Items	Author	Led by	Paper
9.2	UHI Perth Financial Forecast to 31 July 2025	Director of Finance	Depute Principal (Operations)	Paper 13
9.3	UHI Perth Mid-Year Review 2024/25	Director of Finance	Depute Principal (Operations)	Paper 14
10	Items for Discussion/Approval			
*10.1	AST Update	Principal	Principal	Paper 7 & Paper 7a
*10.2	UHI Perth Recovery Options	SLT	Principal	Paper 8 (Revised)
*10.3	UHI Perth Voluntary Severance Scheme	SLT	Principal	Paper 9 & Paper 9a
*10.4	Brahan Lift Works	APUC	Depute Principal (Operations)	Paper 10
*10.5	Audit Committee Report to the Board of Management	Audit Committee	Chair, Audit	Paper 11
*10.6	UHI Perth – China Visit	Principal	Principal	Paper 17
11	Standing Committee Summaries			
11.1	Chairs Committee – 11 February 2025	Chair - BoM	Chair - BoM	Paper 15a
11.2	Learner Experience Committee – 19 February 2025	Chair – LEC	Chair – LEC	Paper 15b
11.3	AST Board – 26 February 2025, 17 March 2025, 21 March 2025 & 25 March 2025	Chair – AST	Chair – AST	Paper 15c
11.4	Strategic Development Committee – 11 March 2025	Chair – SDC	Chair – SDC	Paper 15d
11.5	Finance & Resources Committee – 24 March 2025	Chair – F&R	Chair – F&R	Paper 15e
11.6	Audit Committee – 26 March 2025	Chair – Audit	Chair – Audit	Paper 15f
12	Date & Time of Next Meeting <ul style="list-style-type: none"> Thursday 05 June 2025, 1:00pm (On conclusion of Board Meeting, Members are requested to attend the UHI Perth Prizegiving. A working lunch will be provided before and during the meeting)	Clerk		
*13	Review of meeting (Committee to check against the Terms of Reference to ensure all competent business has been covered)		Chair	Paper 16

Committee Cover Sheet

Paper No. 18

Name of Committee	Board of Management
Subject	Board Member – Committee Allocations
Date of Committee meeting	16/04/2025
Author	Alistair Wylie, Interim Chair
Date paper prepared	13/04/2025
Executive Summary Please provide a concise summary of the Paper outlining the purpose, impact and recommended future actions if approved	Paper provides background and context to proposals to amend Board Committees and Board Committee Membership
Committee Consultation Please note which Committees this paper has previously been tabled at, and a brief summary of the outcomes/actions arising from this.	n/a
Action requested	<input type="checkbox"/> For information <input checked="" type="checkbox"/> For discussion <input type="checkbox"/> For endorsement <input checked="" type="checkbox"/> For approval <input type="checkbox"/> Recommended with guidance (please provide further information, below)
Strategic Impact Please highlight how the paper links to the Strategic Objectives of UHI Perth or the UHI Partnership: Strategic-Plan-2022-27.pdf If there is no direct link to Strategic Objectives, please provide a justification for inclusion of this paper to the nominated Committee.	n/a

Committee Cover Sheet

Resource implications Does this activity/proposal require the use of College resources to implement? If yes, please provide details.	No
Risk implications Does this activity/proposal come with any associated risk to UHI Perth, or mitigate against existing risk? If yes, please provide details.	No Click or tap here to enter text.
Equality & Diversity Does this activity/proposal require an Equality Impact Assessment? If yes, please provide details.	No
Data Protection Does this activity/proposal require a Data Protection Impact Assessment? If yes, please provide details.	No Click or tap here to enter text.
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)?	No If yes, please give details: Click or tap here to enter text.
Status (ie confidential or non-confidential)	Non-Confidential If a paper needs to remain confidential for a prescribed period of time before being made 'open', please advise how long must the paper be withheld: Click or tap here to enter text.

Committee Cover Sheet

Freedom of Information

Please note that **ALL** papers will be included within 'open' business unless a justifiable reason can be provided.

Please select a justification from the list, below:

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

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

Committee Cover Sheet

Board Committees – Member Allocations

Background

Due to recent resignations from the Board of Management and the need to reset, there is a need and opportunity to give due consideration to our Committee structures and membership.

The Interim Chair has already spent considerable time looking at the structures and memberships and the following proposals are made on the basis of providing a reset position whilst also enabling the Board and Committees to continue to function during a time of crisis where continuity of Committee (and subsequently Board) meetings is essential to support the on-going business of the college.

An accompanying spreadsheet details all the proposed structures/nominations.

The proposals for discussion are summarised as follows:

- Disbanding of the AST Board (a given due to the recent insolvency).
- Disbanding of the Strategic Development Committee – moving forward and given the current circumstances that we find ourselves in, it would seem prudent to assert the position that the short to medium term strategic direction is a core interest of and requires the full attention of the entire Board of Directors. We may, at a later date, as a Board decide to re-instate this Committee or a suitable replacement.
- Creation of a new Estates Planning Sub-Group which will be a sub-group of the Finance and Resources Committee. The sub-group will sit for a 3-month duration with the main aim of producing a strategy for discussion and approval at the June board meeting (presenting in advance to the F&R Committee meeting on 21 May for approval). The Committee is proposed to have the following members:
 - Co-Chair – Deirdre Joy
 - Co-Chair – Xander McDade
 - Depute Principal (Operations) – Lynn Murray
 - Director of Estates – Gavin Whigham
 - 1 x Director of Curriculum (tbc)
- Elaine Piggot is proposed as Vice Chair of the Board of Management (previously Derek Waugh).
- Elaine Piggot is proposed as Chair of the Finance and Resources Committee (previously Graham Watson).

Committee Cover Sheet

- Ian Robotham is proposed as Vice Chair of the Finance and Resources Committee (previously Elaine Piggot).
- Debbie McIlwraith Cameron is proposed as Chair of the Audit Committee (previously Vice Chair and due to the resignation from the Board of Derek Waugh).
- Chris Watley is proposed as Vice Chair of the Audit Committee (previously Debbie McIlwraith Cameron).
- Chris Lusk is proposed as Chair of the Learner Experience Committee (previously Dr Margaret Cook).
- Dr Margaret Cook is proposed as a Member of the Learner Experience Committee – this is a change from the previous position as Chair and is proposed to reduce the Principal's commitment to attending committee meetings and free up time to focus on other matters.
- Dr Margaret Cook to act as Advisor to Chairs Committee
- Deirdre Joy is proposed as Vice Chair of the Learner Experience Committee (previously held by Alistair Wylie).
- Elaine Piggot is proposed as Chair of the Remuneration Committee (previously Derek Waugh) supported by Alistair Wylie and Chris Lusk as Members.
- Chris Lusk is proposed as Senior Independent Board Member (previously Jenny Hamilton).
- Other committee membership movements are as detailed in the accompanying spreadsheet and open to discussion and ratification by the Board.

Name	Start Date	# Sub-Committees	Finance and Resources	Audit	Learner Experience	Chair's Com	RemCom	Board
Independent Board Members			3 Min IBM + Chair Board	3 Min IBM	2 Min IBM			
Alistair Wylie	Apr-23	2	M			C	M	C
Elaine Piggot	Oct-23	2	C			M	C	VC
Chris Lusk (SIBM)	Mar-24	2			C	M	M	M
Chris Whatley	Jan-25	2		VC	M			M
Jenni Harrison	Apr-23	1		M				M
Deirdre Joy	Jan-25	2	M		VC			M
Debbie McIlwraith Cameron	Jan-22	2		C		M		M
Ian Robotham	Mar-24	1	VC					M
IBM VACANCY 1	TBC	1	M					M
IBM VACANCY 2	TBC	1		M				M
IBM VACANCY 3	TBC	1		M				M
IBM VACANCY 4	TBC	1			M			M
Principal								
Margaret Cook			M	A	M	A		M
Staff Members								
Richard Fyfe	Nov-24	1		M				M
Patrick O'Donnell (2nd term from Nov 2024)	Nov-20	1	M		M			M
Student Members								
Xander McDade	Jul-24	2	M		M			M
Andi Garrity	Jul-24	2		M	M			M
Trade Union Members								
Ronnie Dewar (teaching)	Mar-24	1			M			M
Vacancy (non-teaching)	TBC	1	M					M
Staff in Attendance								
Lorenz Cairns			A	A	M			A
Lynn Murray			A	A				A
Deborah Lally					M			
David Gourley					M			
Rosalind Bryce					M			
David Paterson					M			
Gavin Stevenson			A	A				
Katy Lees			A	A			A	
Jill Martin			A					
Gavin Whigham			A					
Nicky Inglis					A			
Christina Margiotti					A			
Auditors:								
Henderson Loggie				A				
Deloitte				A				

Board of Management

DRAFT Minutes

Meeting reference: Board 2024-25/02

Date and time: Wednesday 18 December 2024 at 5.00pm

Location: ASW (Room 961)

Members present: Graham Watson, Chair, Board of Management
Mary Fraser, Board Member
Jenni Harrison, Board Member
Chris Lusk, Board Member
Debbie McIlwraith-Cameron, Board Member
Elaine Piggot, Board Member
Ian Robotham, Board Member
Derek Waugh, Board Member
Alistair Wylie, Board Member
Margaret Cook, Principal & Chief Executive
Patrick O'Donnell, Staff Board Member
Xander McDade, Student Board Member
Andi Garrity, Student Board Member
Ronnie Dewar, Trade Union Board Member (from Item 6.1)

In attendance: Lorenz Cairns, Depute Principal (Academic)
Lynn Murray, Depute Principal (Operations)
Gavin Stevenson, Director of Finance
Ian McCartney, Clerk to the Board of Management

Observers: Alastair, Chair, UHI Court
Deirdre Joy, Board Member (awaiting UHI Court approval)

Apologies: Jenny Hamilton, Board Member
Winston Flynn, Trade Union Board Member
Chris Whatley, Board Member (awaiting UHI Court approval)

Chair: **Graham Watson**
Minute Taker: Ian McCartney
Quorum: 9

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Current Action Log

Initial Meeting date	Topic	Action	Owner	Timescale
17 October 2023	Development Trust	Board to receive process update re winding up of Development Trust	Principal	TBC
23 October 2024	Balanced Scorecard	Time to be found to analyse in more detail – possible use of Board Development Evening	Clerk	Cycle 3 Development Evening
18 December 2024	Action Log	Timescales to be added to Action Log	Clerk	Next Board
18 December 2024	Budget 2024/25	EO to approach SFC for definitive answer re AST management fee, to enable Board to consider ramifications/options	SLT/Chair	Next Board
18 December 2024	Budget 2024/25	Revised agreed wording around the proposed statement to be taken forward to EO/SFC by Chair	Chair	ASAP
18 December 2024	Budget 2024/25	SLT to produce a Recovery Plan for Board scrutiny	SLT	Mid-February 2025

MINUTES

Item						Action
1.	Welcome and Apologies					
	<p>Chair welcomed everyone to the meeting and noted apologies. Chair welcomed new Staff Board member, Richard Fyfe, to his first Board meeting.</p> <p>Chair also noted that 2 new Independent Board Members – Deirdre Joy and Chris Whatley – had also been proposed for appointment to the Board but were still awaiting formal approval from UHI Court.</p>					
2.	Additions to the Agenda					
	Chair noted the continued absence of a nominee for Board Health & Safety Champion, a position that needs to be rectified.					
3.	Declaration of Interest in any Agenda Item					
	There were no Declarations of Interest noted.					
4.	Minutes of Board of Management meeting, 23 October 2024					
	The minutes were APPROVED as an accurate record of the meeting.					
5.	Matters Arising					
	Initial date	Topic	Action	Owner	Status	
	17 October 2023	Development Trust	Board to receive process update re winding up of Development Trust	Principal	Principal met with DMC to take forward next steps. Remains ongoing.	
	23 October 2024	Chair's Report	Board to be provided with update re progress on OBC	Chair	Briefing organised with UHI for January 2025	
	23 October 2024	Principal's Report	Principal to prepare comms to internal and external stakeholders re Colleges Scotland submission to Scottish Government re	Principal	Principal met with EO 04/11. Comms to be issued asap.	

			draft budget		
23 October 2024	Draft Budget	Board to receive 3-year Cashflow as soon as possible to enable Board to articulate requirements for funding	Director of Finance	Complete - Issued 06/11/2024	
23 October 2024	Draft Budget	Board to discuss levers available and bigger picture around wider problems that may or may not be resolved via OBC	Board	Complete – discussed at Development Session, 16/12/2024	
23 October 2024	Draft Budget	Budget to be approved pending additional work per above	Board	On agenda (Item 6.1)	
23 October 2024	Draft Budget	Communicate key funding issues to UHI and SFC	Chair	Contingent on Budget discussion per Agenda	
23 October 2024	Pension Strain	Board to be provided with actual vs assumed Pension Strain costs (budgeted as a %age)	Director of Finance	Complete - Info contained within Cashflow Update	
23 October 2024	Annual H&S Report	Volunteer info re Board H&S Champion to be circulated	Clerk	Complete – Champion still to be appointed	
23 October 2024	External Effectiveness Review	Development Plan to be compiled and circulated	Clerk	Complete – on Agenda (Item 9.2)	
23 October 2024	Balanced Scorecard	Time to be found to analyse in more detail – possible use of Board Development Evening	Clerk	To be discussed at next Board Development Evening – Cycle 3	
Chair noted the completed and outstanding actions per the Action Log.					Clerk

	Board Member requested that target dates be added to Action Log.	
6.1	<p>UHI Perth Budget 2024-25</p> <p>Chair noted for context the useful discussion that had taken place at the Board Development session earlier in the week, in particular how the Budget had moved from the start of the year due to the shortfall in HE numbers and the effect of timings related to VS and associated costs, plus the movements in commercial income. Chair noted that these impacts were fully described with Appendix 5 of Paper 2 tabled for discussion.</p> <p>Chair added that the high-level assessments with regard to current trajectory demonstrates a need for SLT to produce a Recovery Plan early in the new year, linked to a reforecast.</p> <p>Chair stated that the expectation is that the college will not be able to generate a surplus over the foreseeable future given projected HE numbers Top-Slice contributions, therefore there is a need for Board to receive information on incomes and look at the level of cost in the business. There is no appetite within the Board for compulsory redundancy, but there is a clear need to examine the evidence of impact of all options available, including continued funding advances from SFC and the top-slice.</p> <p>Depute Principal (Operations) shared the Budget Risks slide left over from the Board Development Session earlier in the week, which highlighted the following risks:</p> <ul style="list-style-type: none"> • Outline Business Case for UHI • Balancing the budget • Reduced student numbers • Reduced levels of funding • Pay awards • Employers National Insurance increase • Pensions – academic and support staff • Impact on staff of cuts • Inflation on non-staff costs • Job evaluation • Cashflow • RDEL/ CDEL • Adjusted Operating Position • AST implications • Reduced profitability of commercial activities • Finance Team - lack of corporate memory <p>Depute Principal (Operations) noted the liquidity support from SFC, as highlighted in Appendix 1 of Paper 2.</p> <p>Depute Principal (Operations) also noted that the majority of the</p>	

	<p>risks noted were shared with the rest of the Sector and provided detail in those areas that Board Members may not be fully aware of.</p> <p>Depute Principal (Operations) explained the issues around the Job Evaluation scheme that had been ongoing since 2018, with the government commitments on this, including back-dating, amounting to around £12m pa; however, while the money is technically there for this process, Audit Scotland have provided direction that this liability has to be recognised in the accounts, but the assumed asset cannot be recognised due to the lack of guaranteed funding from the government, which will result in an impact on the Financial Statements.</p> <p>Depute Principal (Operations) noted, in terms of cashflow, that £650k is due to be paid back to UHI over the first 3 months of 2025 re additional funding, however released claw-back amounting to £380k will have a positive effect.</p> <p>Depute Principal (Operations) noted the likely change in treatment around capital spend definitions, and explained the accounting adjustments around depreciation and pensions within the Financial Statements.</p> <p>Depute Principal (Operations) highlighted the ongoing discussions with UHI around the £100k annual service payment due from AST to the college and the short-term challenges this placed on the business despite the long-term positivity, noting the consequential impact on UHI Perth re the BSc programme, and the legal position that means the college cannot fund AST.</p> <p>Student Board Member sought clarification around the benefits of retaining AST as a separate entity as opposed to bringing in-house. It was explained that AST's income levels pass the threshold for needing to retain as a separate entity under charity law. Board Member clarifies that, while there may be a range of options in treating AST differently, these would require a number of hoops to be jumped through, and the company does not have the luxury of time that would be required given the considerable restrictions OSCR would in all likelihood enforce.</p> <p>Chair moved the discussion on to the substantive item of the UHI Perth Budget 2024/25, noting that a break-even budget had not been presented, and at this stage Board cannot be assured that the OBC will be concluded in time to address key issues.</p> <p>Chair shared a proposed statement which, if agreed, would form an agreed position to take forward to UHI/SFC, per below:</p> <p><i>Over the last two years the Board and Senior Leadership Team of UHI Perth have made staff efficiency savings of ~£3.5m to ensure the financial sustainability of the</i></p>	
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organisation. This has meant a reduction of 19% of our workforce, ie over 100 people and 74 FTE, resulting in a severe impact on our staff, students, community, the morale around campus and our internal and external reputation.

Despite these measures we are still in a position where we have a deficit budget for 2024/25 with further deficits forecast in the following two years. This is primarily due to reduced student numbers, phasing and cost of voluntary severances as well as imposed requirements such as national pay awards and increase in employers' national insurance and pension contributions, and inflation.

The Board seeks direction from the SFC and has identified the following options to consider:

- Instruct that we make compulsory redundancies to balance the budget*
- Don't instruct compulsory redundancies but lend more to cover the deficits*
- Instruct that we make a lower level of compulsory redundancies and lend a lower amount to cover the deficits*
- Reduce the top-slice to the Executive Office of UHI*
- Other options?*

The Board and the SLT are clear that they are strongly against making compulsory redundancies. To remove this level of staff, on top of the cuts that have already been made, would have a catastrophic impact on the students that UHI Perth serves and our staff working within it as well as the wider community and our reputation, which in turn affects our ability to attract student numbers in a competitive market.

Board Member queried whether there are any direct communications with SFC to ensure they have visibility on the issues. Depute Principal (Operations) noted that regular meetings were taking place with the UHI EO finance leadership so they are aware of the key issues, and these are being represented to SFC.

Board Member queried why the budget, while showing a reduction in staff numbers, didn't show a correlating reduction in items such as international travel, legal and administration costs. It would be useful for Board to understand what comes under finance costs, too. Director of Finance advised that International constituted most of the travel budget and work on profitability includes international business and a final report on this was expected soon.

Student Board Member queried, assuming that the UHI OBC is adopted, what options would be available to start realising savings, noting the failure of the Finance/HR shared service initiative. Chair UHI Court advised that the next iteration of the OBC proposals, due

	<p>to be issued to AP Boards by the end of the week, would include some options around “no regret” measures at the earliest opportunity, and the promised Service Catalogue of services provided by EO was on the verge of being published. Principal noted that a draft version of the Catalogue has been seen, and it is comprehensive and detailed, however does not include how APs provide services for other APs, therefore a mapping exercise to capture this is required.</p> <p>Chair noted the importance of the approved budget focusing on a controllable Recovery Plan with steps to be taken to alert those in control of levers. Student Board Member expressed discomfort at agreeing a deficit budget without sight of a Recovery Plan. Depute Principal (Operations) advised that this happens in other places, and SFC will want to see a Recovery Plan as part of their oversight processes. Student Board Member stated that the problem wasn’t Year 1, it was Years 2 and 3. Chair noted that, while it wasn’t clear how the Recovery Plan would show the college coming out of the current situation, this is not a reason not to approve the budget as tabled. Much needs to change across the country but Board can only control what it can and let others look at broader issues.</p> <p>Board Member queried options available if it was not felt the budget was able to be approved. Depute Principal (Operations) advise the college would be in the same position as last year with regards to ongoing income being generated and costs being incurred, but there would be no markers for managers to determine whether things were on track or not, and for SLT to hold managers to account.</p> <p>Student Board Member queried when the Recovery Plan would be available. Principal stated this would be delivered mid-February. Board Member queried whether the Recovery Plan would include responses to queries around the top-slice. Chair UHI Court advised that all APs are looking at Recovery Plans and APs would need to look at which elements of the OBC can be adopted to help achieve these. Depute Principal (Academic) expressed concern that this approach could be seen to be manipulative, ie sign up to OBC or not receive support to assist in Recovery Plans. Chair noted that the Recovery Plan should not be seen as contingent on opting into OBC.</p> <p>Chair suggested that the Recovery Plan should be added into the proposed statement tabled earlier in the meeting. This approach was AGREED.</p> <p>Depute Principal (Operations) sought clarification on approach to the £100k management fee relating to AST. Chair expressed a preference for a similar approach to be adopted to the college’s advance from SFC, ie AST to pay back when it is able to do so. Board discussed some options available and their impact on the proposed budget, before Board Member suggested that EO be</p>	
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	<p>asked to approach SFC for a definitive answer and then come back to Board to consider ramifications and options. This approach was AGREED.</p> <p>Chair returned to the substantive element of Paper 2. Board APPROVED the recommended deficit budget for 2024/35, AGREED that a revised wording around the proposed statement tabled earlier in the meeting be taken forward by the Chair, and further AGREED that a SLT produce a Recovery Plan for Board scrutiny in mid-February.</p>	<p>SLT/Chair</p> <p>Chair</p> <p>SLT</p>
6.2	<p>Internal Audit Annual Report 2023-24</p> <p>Chair of Audit Committee presented Paper 3 for formal approval, noting that the Internal Audit Annual Report for 2023-24 had received robust scrutiny at the Audit Committee meeting of 11 December 2024.</p> <p>Paper 3 was NOTED & APPROVED by the Board.</p>	
7.1	<p>Chair's Report</p> <p>Chair advised that all issues that form the Chair's Report had been covered within Item 6.1.</p>	
7.2	<p>Principal's Report</p> <p>Principal tabled Paper 4, noting that substantive issues had been covered within Item 6.1.</p> <p>Paper 4 was NOTED by the Board.</p>	
7.3	<p>HISA Perth Report</p> <p>Student Board Member summarised Paper 5, highlighting the positive levels of engagement with UHI Perth management at recent Student Voice Rep meetings.</p> <p>Paper 5 was NOTED by the Board.</p>	
8.1	<p>UHI Perth Management Accounts to 31 October 2024</p> <p>Director of Finance presented Paper 6 for information, noting that more accurate detail and a wider narrative is expected to be available from Period 6 onwards.</p> <p>Board NOTED Paper 6.</p>	

8.2	<p>Update on External Audit for Year to 31 July 2024</p> <p>Depute Principal (Operations) presented Paper 7 for information, noting that the timetable for completion outlined in the Paper was still on track.</p> <p>Board NOTED Paper 7.</p>	
8.3	<p>Update on Finance Resourcing</p> <p>Principal presented Paper 8 for information, on behalf of the Director of HR, and in response to a request from Chairs Committee.</p> <p>Chair expressed concern that the report identified that the role of Assistant Business Finance Partner was “hoped” to be filled by March, as Chairs Committee were looking for greater certainty. Chair reaffirmed that Chairs Committee were clear that lack of resources should not be used as a justification for failure to deliver on targets moving forward.</p>	
9.1	<p>Balanced Scorecard</p> <p>Depute Principal (Operations) presented Paper 9 for information, noting that an in-depth session on the Balanced Scorecard was tabled for the Board Development Session in Board Cycle 3.</p> <p>Board NOTED Paper 9.</p>	
10.1	<p>UHI Perth Board of Management External Effectiveness Review – Development Plan</p> <p>Clerk presented Paper 10 for approval, noting that the Paper represented an amalgamation of plans arising from the recent Board External Effectiveness Review and feedback received during Annual Board Review meetings. Progress against the Plan would be monitored via future Board meetings.</p> <p>Paper 10 was APPROVED by Board.</p>	
11.	<p>Standing Committee Summaries</p> <p>Board received summaries from the Chairs of each Standing Committee and NOTED the following minutes:</p> <ul style="list-style-type: none"> • Strategic Development Committee – 12 November 2024 • Learner Experience Committee – 20 November 2024 • AST Board – 27 November 2024 	

	<ul style="list-style-type: none"> • Chairs Committee – 28 November 2024 • Finance & Resources Committee – 05 December 2024 • Audit Committee – 11 December 2024 	
12.	<p>Date & Time of Next Meeting</p> <ul style="list-style-type: none"> • Tuesday 11 March 2025, 5:00pm <p>Chair noted that Extraordinary Meetings will be required to formally approve the UHI Perth Financial Statements and External Audit Report for 2023-24 at a date tbc, and to discuss the UHI Outline Business Case following the briefing from UHI in January 2025.</p>	
13.	<p>Review of Meeting</p> <p>Board confirmed that the meeting had been conducted in line with the Terms of Reference.</p>	

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

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

Status of Minutes – Open ☒

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

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

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

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

Extraordinary Board of Management

DRAFT Minutes

Meeting reference: Board 202425/03/E1

Date and time: Tuesday 04 February 2025 at 5.00pm

Location: Boardroom (Braham 019)

Members present: Graham Watson, Chair, Board of Management
Mary Fraser, Board Member
Jenni Harrison, Board Member
Deirdre Joy, Board Member
Chris Lusk, Board Member
Debbie McIlwraith-Cameron, Board Member
Elaine Piggott, Board Member
Ian Robotham, Board Member
Derek Waugh, Board Member
Chris Whatley, Board Member
Alistair Wylie, Board Member
Margaret Cook, Principal & Chief Executive
Richard Fyfe, Staff Board Member
Patrick O'Donnell, Staff Board Member
Andi Garrity, Student Board Member
Xander McDade, Student Board Member
Ronnie Dewar, Trade Union Board Member

In attendance: Lorenz Cairns, Depute Principal (Academic)
Lynn Murray, Depute Principal (Operations)
Ian McCartney, Clerk to the Board of Management

Apologies: Jenny Hamilton, Board Member
Winston Flynn, Trade Union Board Member

Chair: **Graham Watson**

Minute Taker: Ian McCartney

Quorum: 10

UHI Perth is a registered Scottish charity, number SC021209

We will act with integrity in everything we do

Student Centred + Innovative + Ambitious + Respectful + Inclusive + Collaborative

MINUTES

Item		Action
1.	Welcome and Apologies Chair welcomed all to the meeting and noted apologies.	
2,	Additions to the Agenda There were no additions to the Agenda.	
3.	Declaration of Interest in any Agenda Item There were no Declarations of Interest noted.	
4.	UHI Outline Business Case Chair opened proceedings by referring to the informal meeting with UHI on the Outline Business Case (OBC) last week, and noted it was very clear from the SFC's statement that they are keen to progress the process to Full Business Case (FBC), with funding provided to advance the process, are not currently considering other options, and will only be providing long term transformational funding on the basis of an FBC. The Board was reminded that a formal decision on any structural changes in the partnership would only be sought after completion of the FBC. Chair further noted that it would be useful for this meeting to consider documenting elements of a response to UHI around those key aspects of a FBC that UHI Perth would wish to be taken forward and/or supported. Chair identified that there were a number of suggested income benefits within the OBC, but it would be useful to understand how these will benefit the students of UHI Perth, and what mechanisms will exist to make these initiatives fair and equitable in terms of resources. Principal stressed the importance of ensuring sustainable funding through the FBC process while remaining fully engaged in and committed to managing costs during Recovery Planning. Board Member added that it is vital that all APs are similarly engaged in their own Recovery Planning processes. Board Member sought some clarity around the pathway towards a single institution. Principal advised that UHI saw Option 6 as the most desirable outcome and, while this may prove to be the final destination, this looks to be a long road, and would estimate it will take nearer 10 years than 5 to complete. Principal further advised	

	<p>that the other options being put forward within the OBC may act as staging posts along this route.</p> <p>Board Member noted that the OBC didn't clearly demonstrate an economic case for the options taken forward, therefore a priority for the FBC should be to ensure this is delivered on a number of key metrics.</p> <p>Board Member noted that there is a need to get on the front foot to make the best case for UHI Perth; however, the process cannot be allowed to take as long as the route map suggests and there is a clear need to quickly identify what services can be immediately centralised given that UHI Perth are already paying for these within the top-slice. Quick wins in developing the FBC are important. Depute Principal (Operations) advised that there will be elements of this proposal within the Recovery Plan, including potential location options.</p> <p>Board Member stressed that there is a need to clearly define what UHI Perth want out of the process, in particular around responding to local needs. UHI Perth contributes a large percentage of UHI's HE numbers, but that does not need to be the focus locally going forward. Evidencing clearly the benefits within the FBC would be essential, so that it is clear to SFC that the way forward represents better value for the taxpayer.</p> <p>Depute Principal (Academic) advised of a need to focus on what will remain at the end of the process and how competitive this will be. Investment in Estates is required and needs to be phased appropriately to ensure readiness for business. Board Member added that we need to be clear what our offer is to allow investment to follow.</p> <p>Board Member identified that Shared Services will be the main driver in terms of reducing costs across the Partnership.</p> <p>Board Member expressed disappointment at the level of detail provided in the OBC in terms of benefits analysis, timescales and costs, noting that of the £1.5m identified SFC had only committed to £500k to date. Chair advised that there is a meeting this week with SFC and it is assumed the full £1.5m will be forthcoming; without it, it would be hard to see the project progressing.</p> <p>Board Member noted that there is no apparent provision yet for SFC to provide funding for the costs of change and there is no guarantee that the project will succeed if an Invest To Save model cannot be produced, therefore UHI Perth, while committing to the process, should keep one eye on what happens if project does not work.</p> <p>Board Member expressed concern around how costs associated with TUPE, infrastructure, etc would be met if SFC isn't committed</p>	
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	<p>to covering these costs. Chair expressed doubt that SFC would commit to £1.5m of funding if they thought all that would do was buy some time. Principal advised that TUPE/Pensions/VAT are likely to be key issues, and likely costs need to be fully explored during FBC work. Board Member agreed the importance of these issues, and also that charity structures need to be taken into account around pension crystallisation, which will be a very tricky issue across a number of different bodies.</p> <p>Student Board Member, while recording concern that any cuts to front-line staff would impact upon the student experience, noted a need for UHI Perth to be an active participant at all levels during this process, and in some ways OBC not being detailed may allow the narrative to be set with UHI Perth leadership. In addition, SFC should be asked to pay for long term costs of change, and should also be asked to consider writing off any funding already provided to APs.</p> <p>Board Member identified a need for realism and clear single-point accountability, however it was not clear where this will lie. In addition, the OBC makes assumptions on a number of issues such as a unified curriculum, but doesn't explore risks such as what happens if there is a change of government or government focus in 2026.</p> <p>Board Member stressed that the FBC needs to be exciting, ambitious and radical – a case not made convincingly in the OBC.</p> <p>Chair advised that UHI Perth needs to take a leadership role in the project due to its relative size and needs to make best use of the opportunities the process will present over the next few months to ensure we are well positioned to move to the next stage. Board Member appreciated the desire to take a leadership role and agreed that should be UHI Perth's position, however previous experiences around Shared Services should be heeded, and the "how" of achieving Shared Services needs to be factored in.</p> <p>Board Member noted there is a Sector perspective around the desire to recruit HE students, and the project needs to address how UHI will address this within an increasingly competitive market.</p> <p>Board Member noted the need for a better understanding of the HE Contract in terms of how much HE costs UHI Perth, and what would be the impact if UHI Perth was an FE Provider/HE Host. Principal noted that HE and FE provision are closely meshed together - few staff teach all FE or all HE, most teach both. National Bargaining and FE contracts will also be an issue.</p> <p>Board Member queried when costings re course provisions will be available. Depute Principal (Operations) advised that this work was being progressed with Curriculum Team and would likely be</p>	
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	<p>available in April 2025.</p> <p>Board Member queried whether the Top Slice could be renegotiated. Principal advised that UHI need the money from the Top Slice so it's hard to see a position change in the near future. Chair noted that options from UHI Perth in terms of future forecasts had been formally laid out to SFC in this regard in the Chair's December 2024 letter to the UHI Chair, copied to the SFC Chair.</p> <p>Board Member stressed that there is a need for UHI Perth to be more economically viable and that seems difficult for us to achieve at the moment. Principal advised that there will be a number of options provided in the Recovery Plan that will be coming to Board for discussion in early March.</p> <p>Staff Board Member expressed need for more information around student choices being made beyond other HEIs reducing entry requirements as the situation is more complex than that. Board Member agreed that UHI occupies a niche market that doesn't need to compete with more traditional Universities, but this doesn't appear to be a focus for the organisation. Depute Principal (Academic) noted that attainment figures are available with tangible evidence as to why student numbers have decreased, and these are being used as part of the Targeting Model to determine future student numbers.</p> <p>Board Member noted that today was the first time UHI Perth Board had grasped the nettle with respect to leading within UHI, however thought needs to be given by the SLT as to what next steps are.</p> <p>Board Member noted that the FBC process offered a real opportunity to be creative and ambitious, and we need to get in a room with other APs to drive forward toward mutual benefit.</p> <p>Following a brief discussion around potential wording, and subject to receipt of assurances from UHI of appropriate commitment from all other Academic Partners, UHI Perth Board of Management AGREED to support UHI and take a leadership role with full participation in moving forward with the preparation of a Full Business Case as outlined in the OBC, and in line with the Minute of the UHI Perth Board Meeting held on 4 February 2025.</p>	
3.	<p>Date & Time of Next Meetings</p> <ul style="list-style-type: none"> • Thursday 06 March 2025, 5:00pm (Extraordinary) • Wednesday 02 April 2025, 5:00pm (Scheduled) 	
4.	<p>Review of Meeting</p> <p>Board confirmed that the meeting had been conducted in line with the Terms of Reference.</p>	

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Status of Minutes – Closed until formal approval of UHI Full Business Case ☒

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.

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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** ☒

Extraordinary Meeting of the Board of Management

DRAFT Minutes

Meeting reference: Board 2024-25/03/EM02
Date and time: Thursday 06 March 2025 at 5.00pm
Location: ASW Room 961

Members present: Graham Watson, Chair, Board of Management
Mary Fraser, Board Member
Jenny Hamilton, Board Member
Jenni Harrison, Board Member (until Item 7)
Deirdre Joy, Board Member
Chris Lusk, Board Member
Elaine Piggott, Board Member
Ian Robotham, Board Member
Derek Waugh, Board Member
Chris Whatley, Board Member
Alistair Wylie, Board Member
Margaret Cook, Principal & Chief Executive
Richard Fyfe, Staff Board Member
Patrick O'Donnell, Staff Board Member
Andi Garrity, Student Board Member
Xander McDade, Student Board Member (until Item 7)
Ronnie Dewar, Trade Union Board Member

In attendance: Lorenz Cairns, Depute Principal (Academic)
Lynn Murray, Depute Principal (Operations)
Gavin Stevenson, Director of Finance
Ian McCartney, Clerk to the Board of Management

Apologies: Debbie McIlwraith-Cameron, Board Member
Winston Flynn, Trade Union Board Member

Chair: **Graham Watson**
Minute Taker: Ian McCartney
Quorum: 10

MINUTES

Item		Action
1.	Welcome and Apologies Chair welcomed all to the meeting and noted apologies.	
2.	Additions to the Agenda There were no additions to the Agenda.	
3.	Declaration of Interest in any Agenda Item Chair noted the interests of AST Directors who were also members of the Board of Management, per Item 6.	
4. & 5.	UHI Perth Group Report & Financial Statements for the Year Ended 31 July 2024 & External Audit Annual Report 2023-24 Chair noted the Extraordinary Meeting of Finance & Resources and Audit Committee that had take place on which had endorsed the Group Report & Statements and External Audit Annual Report for approval by Board, subject to some textual minor corrections and those actions noted within the Audit Report. Chair advised that the Letter of Representation followed a standard format and confirmed that SLT had provided all relevant information as part of the process and therefore there was no reason not to approve the accounts. Board APPROVED the Group Report & Statements and External Audit Annual Report for the period to 31 July 2024. Chair acknowledged the efforts of the UHI Perth Finance Team and Deloitte for their efforts and for ensuring a smoother process than the previous year.	
6.	AST Letter Chair commenced discussion of this item by noting the interests of AST Directors who were also members of the Board of Management, and stepped aside to allow the Vice Chair to chair this item. Vice Chair noted Paper 3 and sought Board's views on the proposals re deferment of AST Management Fee per terms indicated. Board Member sought clarity on SLT's views on the matter. Depute	

	<p>Principal (Operations) noted that SLT's position was always to put the charity first.</p> <p>Board Member queried the consequences of not approving the proposal. Depute Principal (Operations) advised that legally both parties have to put the charity first, however the risk of not providing deferment is to AST's status as a Going Concern. AST Chair further advised that the AST Annual Accounts cannot be signed off without the deferment.</p> <p>Board Member requested further clarification of this course of action for the college. Depute Principal (Academic) advised that an element of the BSc course relates to achievement of a CAA license, and is delivered by AST who hold the CAA approval; without AST, this element cannot be delivered, and this is a major selling point for students choosing UHI over other providers, therefore continuity and reputational risk would need to be considered.</p> <p>Board Member expressed concern about being asked to approve a deferment of income for the college without additional financial information being provided as the college is effectively being asked for a loan.</p> <p>Board Member noted that there have been a number of updates provided to the Board over the last few months around AST's financial position, and suggested that the situation is different to a bank loan due to the associated risks of not granting the funding on current and future students.</p> <p>Depute Principal (Operations) confirmed that there were currently 25-30 HE students likely to be moving from on year to another on the BSc course. There has been brief analysis around alternative provision, however the main impact would be on those students currently in years 2 and 3 of the course.</p> <p>Board Member queried whether there would be potential for legal claims if Part 66 is not delivered. Depute Principal (Operations) confirmed that this would be a likely risk.</p> <p>Board Member queried what AST Directors can be asked within this discussion. Clerk clarified that there were no issues in AST Directors being asked to clarify positions to the UHI Perth Board, however there would have to be consideration around conflicts at the point of decisions being made.</p> <p>AST Chair noted that legal advice had been sought which noted that UHI Perth was in effect a Shadow Director of AST, however UHI Perth cannot use its own funds to provide investment in AST due to its charitable status. The business was attractive on a macro level but is experiencing cashflow issues which places the business in a very delicate position as rejecting the proposal would mean the business</p>	
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	<p>not being able to be considered a Going Concern in terms of signing the annual accounts, which will in turn undermine AST's commercial position.</p> <p>Vice Chair noted that the cashflow issue was due to materialise in July/August 2025, but there didn't appear to be a Recovery Plan in place. It would be useful for AST to provide more information including an assessment of the risks to the college around the deferment. Board Member supported this request, noting that Board need to consider wider optics around exposing College to further financial challenges.</p> <p>AST Chair noted that AST Board have requested a Recovery Plan for AST by the next AST Board meeting, and added that there is little long-term prospect for AST under current ownership restrictions, however these kinds of options haven't as yet been explored. Board Member queried, given previous knowledge of financial issues in AST, why alternative options hadn't been explored. AST Chair advised there had been no reason to expect this level of priority as recently as 3 months ago.</p> <p>Board Member noted that AST was a trading subsidiary not an independent supplier, therefore Board should allow a degree of leniency to AST to explore options. Vice Chair noted that, while there is sympathy around AST's needs, there is a timing issue at play linked to the lack of a Recovery Plan. Student Board Member queried whether referring the matter to the April Board meeting to allow proposals to be drawn up would allow Board to be provided with more detail.</p> <p>AST Chair reminded Board that AST was a subsidiary company 100%-owned by the College with AST Directors appointed from UHI Perth Board, and that this should provide the level of trust required to support the proposal. Board Member replied that there is a need to understand options and this information isn't present, and that Board require reassurance from SLT that this information can be provided.</p> <p>Vice Chair queried what difference would arise from the decision being made on 2nd April rather than at this meeting, unless the situation is more serious than is being conveyed. AST Chair advised that without the deferment, AST would be unlikely to ever get to a position to be sellable.</p> <p>Board Member noted that the immediate consequences would be on students, and this is a risk that Board should reflect on given the relatively minor amount being discussed.</p> <p>AST Chair noted that the letter would not have been written to Board if AST Directors didn't feel this course of action wasn't in the best interests of the single shareholder. Vice Chair noted that UHI Perth Board also have responsibilities.</p>	
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	<p>Board Member noted that UHI Perth Board had discharged its responsibilities in this area by appoint AST Directors from the membership of the Board, therefore UHI Perth Board should trust the AST Directors on this issue. Board Member further noted that the predominant role of UHI Perth Board is to act on behalf of the charity, therefore everything possible should be done to protect the charity's investments and a forced closure of AST would result in no money back and should be actively avoided.</p> <p>There being no consensus among Board Members, Vice Chair moved the matter to a vote, with AST Directors not able to take part in the vote due to a conflict of interest.</p> <p>Following a vote by show of hands, the proposal as outlined in Paper 3 was rejected by 8 votes to 5.</p> <p>AST Chair noted that an Emergency Meeting of AST Board would require to be held to consider the decision.</p>	
7.	<p>UHI Perth Recovery Plan</p> <p>Chair of Board reassumed chairing duties.</p> <p>Chair provided context around Paper 4, noting previous agreement to reach a break-even position, and noting that, while in principle a full paper would have been preferred, due to sensitivity of some of the issues raised it was felt that a presentation was the correct approach at this time.</p> <p>Principal presented a high-level Recovery Plan, expressing hope that this would lead to discussion around issues and options highlighted.</p> <p>Principal noted the ongoing deficit position and the projected deficits within previous FFRs, and provided an outline of student numbers. Principal further noted that a UHI Service Catalogue had been provided, but this was scheduled for review by the Shared Services Group prior to local usage.</p> <p>Principal stressed the importance of the curriculum and the requirement for a high-quality learning environment in order to recruit students, however these require investment, which seemed unlikely to be immediately forthcoming.</p> <p>Principal noted that different Academic Partners within UHI have different priorities, and these may not always be aligned with what UHI Perth wants.</p> <p>Principal then explored options available around income and savings, including those linked to the UHI Transitions process and those under UHI Perth's control.</p>	

	<p>Board Member queried whether SFC assistance would be provided to support costs for local processes in order to generate savings, and suggested that these be considered operational costs as previously advised to SFC. Principal noted that SFC are looking at options to invest and save – details are expected to follow on what that may mean for UHI and UHI Perth.</p> <p>Principal noted that there was no real expectation around a reduction in top-slice but there is a need to keep pressure on EO, and by extension SFC, to ensure value for money.</p> <p>Chair noted that, while the presentation provided a good starting point, there was a lack of the type of transformational change that would make an impact on 3 years of successive deficits. Chair agreed that UHI would not wish to alter the top-slice, and noted that SFC will want to see bigger wins. Chair further noted that stopping delivery of HE would result in a reduction of top-slice, therefore there is a need to see the implications and benefits of this option as the other options appear to merely tinker around the edges.</p> <p>Board Member suggested that other options around stopping HE delivery need to be presented, eg TUPE transfers and access models for services.</p> <p>Principal agreed to model the options discussed, including the staff costs associated with a different model of delivery as a large proportion of teaching staff teach both FE and HE.</p> <p>Principal noted that UHI Perth staff would be emailed tomorrow around the UHI Transition process and that an all-staff meeting will be delivered by UHI. Chair also noted the involvement of Board Members from UHI Perth in the UHI Transition process. Depute Principal (Operations) advised that the consultants appointed by UHI around the Full Business Case had withdrawn therefore timescales for the project will need to be amended.</p>	
8.	<p>Date & Time of Next Meeting</p> <ul style="list-style-type: none"> Wednesday 02 April 2025, 5:00pm 	
9.	<p>Review of Meeting</p> <p>Board confirmed that the meeting had been conducted in line with the Terms of Reference.</p>	

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

Background

This is the March 2025 monthly update for Chairs on progress to deliver the programme of work. This should be shared with Boards of Management, Principals and their senior teams.

Progress in February

The progress in February has been good across all aspects of the work.

Operating model

A two-day workshop was held in Inverness with Principals and senior colleagues to define in more detail the operating model(s) that we will seek to develop. Two distinctive models were drawn out over the two days with significant commonality in some aspects of their design. The transformation team are currently working this up and they will be presented back to Principals for further discussion and refinement during March before the discussion is broadened out to other colleagues.

The group also captured detail around the transitional route from our current configuration to the new models which will help to inform the route map. Legal advice is being sought on the different ways that we could integrate functions both within our current configuration and the avenues for creating a single institution which will inform the practical choices that UHI has and the extent to which any legislative change is required.

Pathfinder Projects

An online session was held with the transition executive board to discuss the proposals brought forward from each partner in respect of potential pathfinder projects. In total, 26 potential pathfinder projects were identified and a basic prioritisation process was applied to rank them. Further pathfinder projects were identified during the course of the two-day workshop noted above that have also been included within the project spreadsheet.

The projects are wide ranging covering different aspects of UHI's operations. Some of the projects, whilst entirely valid in terms of the longer-term work, such as system upgrades, will not fit as a pathfinder project as the timeline to achieve them is too long and the size of the financial input is unaffordable without the investment from the Scottish Government to implement the FBC in its entirety. All viable proposals brought forward will however be discussed by relevant workstreams and either delivered as part of the FBC development process or will become part of the longer route map.

The transformation team is further assessing the projects and beginning the work to properly scope the proposals. This work will be taken back to TEB during March.

Communications and engagement

Significant work has been undertaken through February to finalise the approach and assets for the phase one engagement with staff, students and wider stakeholders. Staff briefing sessions in each academic partner will take place over a two-week period from 10th to 21st March before it is widened out to other stakeholders. The sessions will be led by the respective Principal supported by the Vice-Chancellor, the Deputy Principal (academic and research) and the transformation team.

HISA have been fully involved in the development and design in respect of the engagement with students which will begin, alongside other stakeholders, from 24th March so to avoid the HISA elections and allow for the briefing of staff ahead of wider stakeholders.

The trade unions that represent staff across the partnership, UNISON, EIS-FELA, UCU, UNITE and GMB have been invited to participate in a trade union engagement forum and we are currently seeking a date for the first meeting.

The majority of Boards of Management have now put forward two governor representatives to become more involved in aspects of the work, helping both to guide the discussions but also shape the outcomes. As part of this engagement we will bring together Chairs, their two nominees and Principals for a full day event in early May. The arrangements for this event will be shared shortly.

Programme infrastructure

A number of areas have been progressed through February.

SFC Funding

We received written confirmation on Friday 7th March from the SFC that they are making available the full budget for FBC development of £1.45m. Now this has been confirmed, budget reporting will be provided to the transition executive board as part of their regular meetings.

Workstreams

The development of the workstreams has been slightly slower than anticipated as the focus through February has been to work with Principals and senior colleagues within a single group. However, the executive leadership of the workstreams have been agreed and terms of reference, wider membership, deliverables etc. have been drafted for each of the groups. These will meet in March and take forward their elements of the work.

Timeline

A draft timeline for FBC delivery has been completed and will progress through the programme governance fora before being finalised and approved. It seeks to deliver the FBC within the original timescales set out, primarily delivery of a completed FBC to the SFC in December 25, but reconfigures the steps to reach that point to take account of;

- The requirement for a greater level of involvement and engagement of Governing Bodies and staff in the development of the FBC
- To account for the failure to appoint FBC consultancy support at this stage.

Assurance

An approach to assurance, in line with the green book requirements, has now been drafted and discussed with the Scottish Government. This will be taken through the relevant programme governance fora over March and upon approval, will be implemented.

Consultancy

The consultancy tender process to support the first phases of FBC development has now been completed with the following partners appointed:

Legal Support – Anderson Strathern

Initial meetings have been held with Anderson Strathern to scope out the legal advice required at this stage in the process. As above, the advice primarily focusses on the legal realities of integration within our current constitutional structure and the legal routes to achieving a fully integrated institution.

Engagement support – The Diffley Partnership

The Diffley partnership has been appointed to analyse and report on the phase one engagement responses. They have also provided advice in respect of the construct of the survey questions that will be used during the engagement process.

Culture support – Develop Global

Develop Global have been appointed to support the first phases of the work that will be undertaken by the culture integration workstream. This will focus on working with senior leadership. They will start with us in late March.

FBC development and financial modelling– Not appointed

The tender to provide support for the development of the FBC was not successful. Of the seven companies that expressed an interest in the work, only one firm (EY) put forward a bid. During the interview and clarification stages EY withdrew their bid as they didn't feel that they would be able to deliver to the timeline as originally set out (June 25).

The scope of the tender is being revisited and upon confirmation of the complete budget from the SFC we shall seek to retender for this support. The lack of consultancy

support at this stage does have an impact on the programme but we are seeking to manage this within the timeline so it does not extend the work beyond the original submission date to the SFC of December 25.

Data

The staffing information to allow for the detailed modelling within the FBC has now been received by all relevant partners and is currently being analysed. An initial analysis shows that between March 23 (when the same data was collected for UHI 2024) and this data return, January 25, the staffing complement of EO, UHI Inverness, UHI Perth, UHI Moray, UHI Argyll, UHI Shetland and UHI North, West and Hebrides have collectively contracted by 15%.

Risk

The programme risk register has been developed and discussed with the transition executive board. However, we have been unable to find time to have detailed discussions around the risks, their mitigations and identify risk owners. As the programme expands, risk at all levels (project, workstreams, programme) will need to be captured and managed. As it currently stands, the capacity to manage risk, is a clear issue.

As such, the Vice Chancellor has requested that TEB move to a fortnightly meeting schedule and operate as a programme board, with workstreams undertaking more of the detailed discussion on the detail of the work. This should alleviate some of the pressures on the executive board's agenda.

March outcomes

Through March we are seeking to;

- Agree and approve the timeline
- Agree and approve the assurance framework
- Develop the outline operating model(s) for wider discussion
- Identify a much smaller selection of pathfinder projects
- Develop the project detail for the selected pathfinder projects
- Establish workstreams, agree their ToR, membership, deliverables
- Launch the phase one engagement process to staff (10th March) and wider stakeholders (24th March)
- Upon confirmation of the SFC funding;
 - begin budget reporting
 - retender for FBC consultancy
 - develop and publish economic impact consultancy tender
 - recruit remaining project team posts

UHI Perth Board of Management 2 April 2025

Principal's Report

UHI Engagement

The UHI Transitions Project continues and there has been significant engagement since the last Board report –

- Senior staff from UHI met with staff from across the partnership, our meeting in Perth was well attended and generated very good questions, some of which were answered and others which were more difficult. This activity lasted for a 2 week period and all staff were invited to their individual partner meeting, this has now moved onto the public consultation process and all staff, students and other stakeholders are invited to contribute to this process.
- I am now chairing the Operations Working Group which has yet to get fully started but which will incorporate the shared services work I was previously doing. As part of this I chaired the first meeting with the national officials of the recognised TU's (EIS, UCU, Unison, Unite & GMB), this will be an ongoing process and does not detract from our local engagement with our TU colleagues.
- I spent 2 days in Inverness last month with colleagues mapping out the way forward for the project.
- The FBC will now not be completed till December '25 (this was previously a completion date of June '25), it will then be fed into the political cycle in advance of the election.

Estates Development

We continue to look at our estates issues and have recently completed a staff & student consultation exercise on the future shape of the Study Centre, this will translate into changes to this area over the summer period.

We are also working on the estates masterplan and will meet with the Council to further discuss how both of our ambitions for our estates could dovetail, the meeting will take place before the full Board, and I am happy to provide a further update then.

Student Recruitment

We are in the middle of the recruitment cycle and both our FE & HE application numbers look promising. As ever we anticipate reaching our FE target but recognise that the HE target of 1,500 (excluding controlled numbers as we have not had confirmation of these from UHI) is always more challenging. We have had 2 Open Days which were well attended and will continue this work up to and over the summer period. Capturing continuing students is becoming more important and there is work going on in this area.

Summary of other areas

International – we have received visitors from a number of our academic partners and in country teaching continues. We have a series of graduations in China in May and discussions on the contingent going to China is ongoing. We continue to discuss approval issues for international work with UHI.

College Employers Scotland – our professional services TU's have submitted their pay claim for 25/26 & 26/27 and negotiations on this have started and there is a full meeting of CES in April to monitor progress with this and to discuss progress with the Job Evaluation project.

New Funding Model – the SFC have developed a new funding model for FE, this was discussed with all Principals, however there is no visibility/transparency surrounding this and UHI have not been informed of the impact the changes will have on the total income for the partnership and then for the individual college allocations, the SFC were clear that there are winners and losers in this new model which starts in 25/26 with a one year transition period for those most impacted. We continue to press for more information on this through UHI but with no success.

Committee Cover Sheet

Paper No.6

Name of Committee	Board of Management
Subject	HISA Update – March 2025
Date of Committee meeting	02/04/2025
Author	Highlands and Islands Students Association (HISA)
Date paper prepared	25/03/2025
Executive Summary Please provide a concise summary of the Paper outlining the purpose, impact and recommended future actions if approved	A summary of activities within the students' association since last Board.
Committee Consultation Please note which Committees this paper has previously been tabled at, and a brief summary of the outcomes/actions arising from this.	n/a
Action requested	<input checked="" type="checkbox"/> For information <input type="checkbox"/> For discussion <input type="checkbox"/> For endorsement <input type="checkbox"/> For approval <input type="checkbox"/> Recommended with guidance (please provide further information, below)
Strategic Impact Please highlight how the paper links to the Strategic Objectives of UHI Perth or the UHI Partnership. If there is no direct link to Strategic Objectives, please provide a justification for inclusion of this paper to the nominated Committee.	In line with HISA Strategy

Committee Cover Sheet

Resource implications Does this activity/proposal require the use of College resources to implement? If yes, please provide details.	Yes/ No
Risk implications Does this activity/proposal come with any associated risk to UHI Perth, or mitigate against existing risk? If yes, please provide details.	Yes/ No Click or tap here to enter text.
Equality & Diversity Does this activity/proposal require an Equality Impact Assessment? If yes, please provide details.	Yes/ No
Data Protection Does this activity/proposal require a Data Protection Impact Assessment? If yes, please provide details.	Yes/ No Click or tap here to enter text.
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)?	Yes/ No If yes, please give details: Click or tap here to enter text.
Status (ie confidential or non-confidential)	Non-Confidential If a paper needs to remain confidential for a prescribed period of time before being made 'open', please advise how long must the paper be withheld: Click or tap here to enter text.

Committee Cover Sheet**Freedom of Information**

Please note that **ALL** papers will be included within 'open' business unless a justifiable reason can be provided.

Please select a justification from the list, below:

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

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

Highlands and Islands Students' Association Update March 2025

Executive Committee Updates

Our Executive committee ran various events for Feel Fab February online and on campus to promote wellbeing activities.

Our Perth officers have been working with UHI Perth Leadership to increase student representation on committees, discuss feedback received on the Library and in relation to the UHI Transformation project. They have also been hosting regular events in the Webster, supporting the Sports Injury clinic to attract more clients, gathering feedback on food and beverage provision on campus and encouraging nominations for the OBI Awards.

Student Voice Representation Update

As of 17.03.2025 there are 205 registered SVRs at Perth, 86 of which have been trained. HISA ran 2 weeks of extra in person training over late February and early March for any new SVRs to attend. We have created a gap analysis of subjects without student representation to offer proactive support to subject areas and identify consistent areas of challenges in SVR recruitment. The relevant Subject Leaders, Sector Managers and PATs have been notified of any areas lacking SVRs. This has been done in partnership with curriculum teams.

Nominations for HISA's Student Elections closed on Thursday 21st February and HISA did a lot of class visits and spreading awareness exercises on campuses at UHI Perth. There were two candidates for Perth President, two candidates for Perth Depute President, four candidates for Cross Campus Vice President Education and three candidates for Students' Association President. Campaigning week took place week commencing 3rd March with voting commencing from 10am on Monday 10th March until 4pm on Thursday 13th March. We are pleased to announce the following candidates were elected:

- Perth President – Andi Garrity
- Perth Depute President – Millie Haokip
- Students' Association President – Xander McDade
- Vice President Education – Holly Pearce

A full summary of the elections will be available in due course in our Elections Report. In terms of wider SVR related activity, HISA are now working on an SVR exit survey and evaluating the SVR lifecycle to improve for academic sessions 2025/2026.

Clubs and Societies Updates

At present UHI Perth has the following campus specific sports clubs and societies:

- Computing Club
- Labour Society
- Language and Culture Group
- Perth History Club
- Tuesday Art Club
- Perth Blizzards (Basketball Club)
- Perth Boccia Club
- Perth Football Club
- Perth Mavericks (Accessible Basketball Club)
- Perth Rugby Club
- Perth Volleyball Club

UHI Perth students can also participate in the following campus wide sports clubs and societies:

- Christian Union
- Labour Society
- Optometry Society
- Sustainable Development Society
- UHI PGR Society
- #1 Furies of the UHI
- Chess Club
- Dungeons and Dragons Club
- E-Sports and Gaming Society
- UHI Scribblers
- UHI Shinty Club

The second UHI Varsity will be taking place on 1st April with UHIs Moray, Inverness and Perth competing. UHI Shinty team participated in the St Johns Cup in St Andrews mid-March, with our woman's team winning silver and our men's team winning gold.

Board of Management Updates

The Board of Management Project is now in its evaluation stage, with invites to boards across the UHI partnership to reflect on the outcomes of the project. HISA has also written to Board chairs and principals regarding submitting the project for a College Development Network (CDN) Award.

Other Key Updates

Cross Campus Events and Events on Campus

The following events have been held on campus since the commencement of semester 2:

- 28th January: Burns Ceilidh
- 29th January: Therapets on Campus
- 30th January: Music Bingo
- 4th, 19th, 21st, 26th February: LGBTQ+ Craft Sessions to celebrate LGBTQ+ History Month
- 17th February: Random Acts of Kindness Day in partnership with the Student Engagement Coordinator
- 19th February: Therapets on campus
- 26th February: Feel Fab Festival (including activities run by UHI Perth's Active Campus Coordinator, Wellbeing team, and students from Hair and Beauty, Hospitality and Arts departments, plus external organisations)

HISA are also working with Information Services and the computing department to sell out of use IMacs with funds raised going to The Big Project. HISA will also be organising a coffee morning to raise funds for The Big Project.

Advice Service

During the months of October to December, 5 cases were attributed to UHI Perth, which was equitable to the number of cases within same quarter in 2023. These came from ESOL, Business, Access to Humanities and Social Science courses.

Looking across the partnership, student complaints (42%) constituted the largest share of recorded work time, highlighting that this continues to be a primary concern for students seeking advice. Matters of academic conduct (24%) also represented a significant portion of the workload, indicating an ongoing need for guidance on misconduct and disciplinary issues.

Committee Cover Sheet

Paper 12

Committee	Board of Management
Subject	UHI Perth – Management Accounts - 31 January 2025 (H1)
Date of Committee meeting	19/03/2025
Authors	Gavin Stevenson, Director of Finance Yemi Orioge, Finance Manager
Date paper prepared	14/03/2025
Executive summary of the paper	This paper includes the management accounts at 31 January 2025 (H1)
Consultation How has consultation with partners been carried out?	Presented to Finance & Resources Committee, 24 March 2025
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)	Yes
Risk implications (If yes, please provide details)	Yes Notes the risk to financial sustainability
Link with strategy Please highlight how the paper links to the Strategic Plan, or assist with: <ul style="list-style-type: none"> • Compliance • National Student Survey • partnership services • risk management • other activity [e.g. new opportunity] – please provide further information 	Financial sustainability

Committee Cover Sheet

Paper 12

<p><u>Equality and diversity</u></p> <p>No</p> <p>If yes, please give details:</p>	<p>Click or tap here to enter text.</p>
<p>Island communities</p> <p>Does this activity/ proposal have an effect on an island community which is significantly different from its effect on other communities (including other island communities)?</p>	<p>No</p> <p>If yes, please give details:</p> <p>Click or tap here to enter text.</p>
<p><u>Data Protection</u></p> <p>Does this activity/ proposal require a Data Protection Impact Assessment?</p>	<p>No</p> <p>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>Non-Confidential</p>
<p>Freedom of information</p> <p>Can this paper be included in "open" business?* -Yes</p>	<p>Papers should be open unless there is a compelling reason for them to remain closed. If a paper, or parts of a paper, are to remain closed the reason for that exemption must be specified – see reasons below</p>

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

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

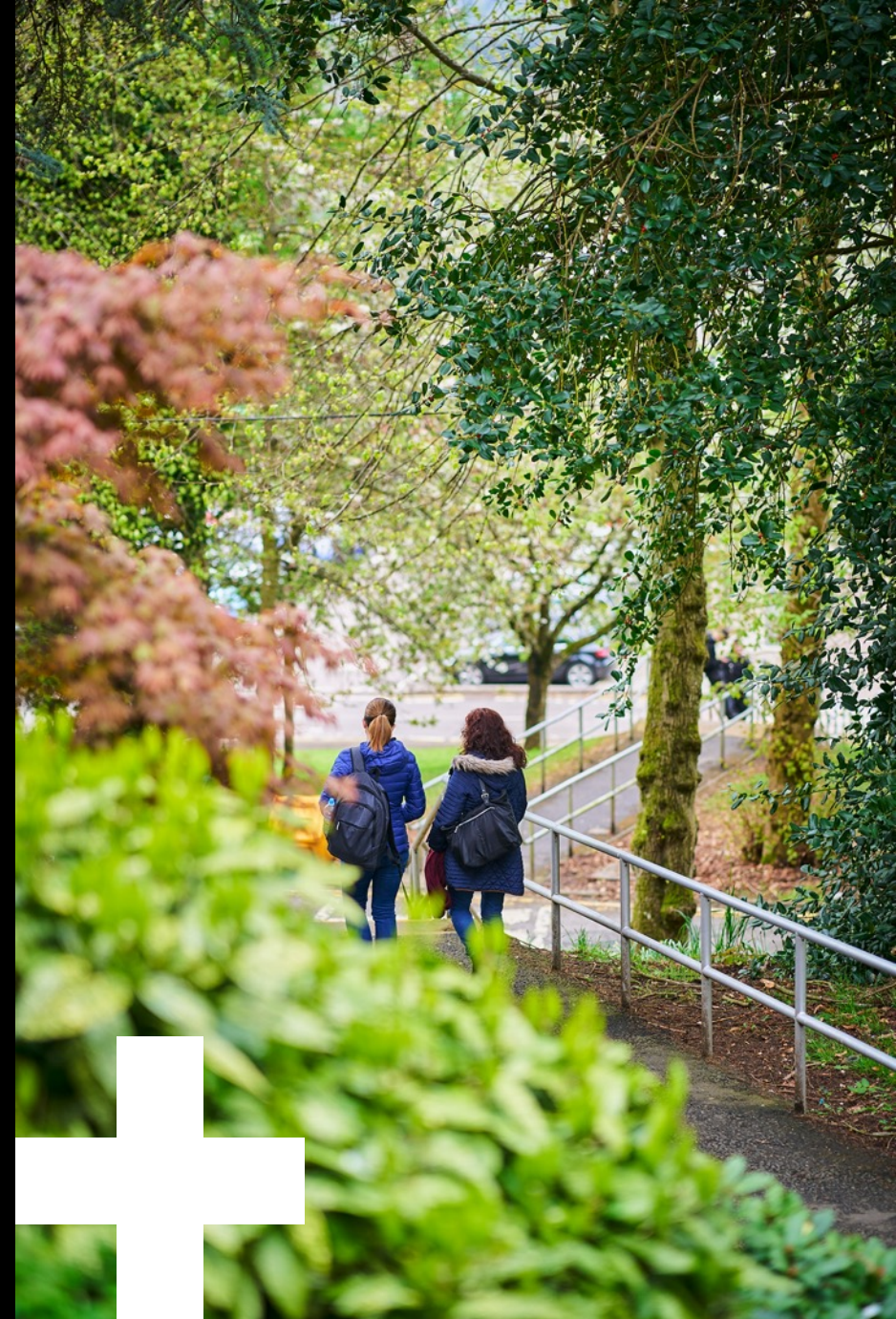
For how long must the paper be withheld? Until the OBC and FBC are approved and funding awarded to begin the project. This would be for an estimated 12 months.

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

Management Accounts – 31 January 2025 (H1)

Board of Management 02 April 2025

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Background

- Management accounts presented for the 6 months to 31 January 2025.
- Data considered to be robust, however, legacy system and data cleansing issues are being resolved to improve accuracy and detailed analysis going forward.
- Further work required in Finance and with budget holders to fully understand costs and all sources of income.



Management Accounts – H1 2025

	YTD Budget £k	YTD Actual £k	Variance £k
Income	12,658	13,598	941
Staff Costs	(9,449)	(9,549)	(100)
Non-Staff Costs	(4,027)	(4,347)	(319)
Surplus/(Deficit)	(819)	(297)	522

Management Accounts – Income

	YTD Budget £k	YTD Actual £k	Variance £k
FE Grant Income	5,810	6,381	572
HE Grant Income	3,370	3,494	124
Other Grant Income	48	176	128
<i>Total Grant Income</i>	<i>9,228</i>	<i>10,052</i>	<i>824</i>
Tuition Fee Income	1,530	1,479	(51)
International Income	605	593	(12)
Managing Agents	138	138	0
Apprenticeship	93	136	43
Research	0	18	18
Commercial Income	1,056	1,119	64
Other Income	9	64	55
Total Income	12,658	13,598	941

Key Points:

- YTD Budget represents 6 months of FY budget income.
- YTD Actual for 6 months.
- Total YTD income of £13.5m is £0.9m favourable vs YTD Budget - timing could be an issue.
- Key income variance is the grant Income of £0.8m with Commercial and Other Income contributing £0.1m.
- Further work is required to fully understand our non-grant income streams ahead of the 2025/26 Budget process.

Management Accounts – Staff Costs

	YTD Budget	YTD Actual	Variance
	£k	£k	£k
Business, Technologies and Wellbeing	3,288	3,217	71
Art, Humanities & Education	2,718	2,616	103
Learning & Teaching Enhancement	134	113	22
Student Experience	700	752	(52)
Finance	280	259	21
HR&OD	230	258	(28)
ICT	328	270	58
Estates	626	743	(117)
International	133	114	19
Centre for Mountain Studies	126	131	(4)
SMT - Executive Office	359	422	(63)
Nursery	28	27	1
Other	87	2	85
Severance Costs	412	627	(215)
Total Staff Costs	9,449	9,549	(100)

Key Points:

- Total YTD Staff Costs of £9.5m (£0.1m adverse variance vs budget)- largely due to severance costs increase of £0.2m, Estates cost increase £0.1m – driven by ASW- see below), partly offset by savings of £0.1m in AHE- due to budget over allocation and £0.09m on other costs (NI increase and Schools budget).
- Severance cost FY budget of £823k prorated for 6 months but actual cost YTD is higher due to timing of people leaving.
- Estates - ASW £0.1m adverse variance against budget is due to bank staff providing cover, that were not budgeted.
- YTD contract and timesheet costs will be confirmed at the Committee meeting and will be compared against FY budget of £1.1m (~16 FTE).

Management Accounts – Non-Staff Costs

	YTD Budget	YTD Actual	Variance
	£k	£k	£k
Business, Technologies and Wellbeing	510	550	(40)
Art, Humanities & Education	151	134	17
Learning & Teaching Enhancement	11	3	7
Student Experience	1,457	1,462	(5)
Finance	304	317	(14)
HR&OD	140	60	80
ICT	373	367	5
Estates	1,011	1,366	(354)
International	52	47	5
Centre for Mountain Studies	0	13	(13)
SMT - Executive Office	19	27	(8)
Total Non-Pay Costs	4,027	4,347	(319)

Key Points:

- Total YTD Non-Staff Costs of £4.3m is £0.3m adverse vs YTD budget.
- Key adverse variance is Estates overrun of £0.3m due to budget underestimation vs. actual cost in H1. Catering expenditure of £0.7m wasn't included in the annual budget in error.
- Centre for Mountain Studies was not allocated a budget in error.

Management Accounts – Considerations

Grant income remains strong against budget supporting a positive variance.

Non-grant income requires further validation before future forecasting.

Outstanding severance costs will impact future expenses.

Contract & timesheet cost review may highlight additional variances.

Risk and Mitigation

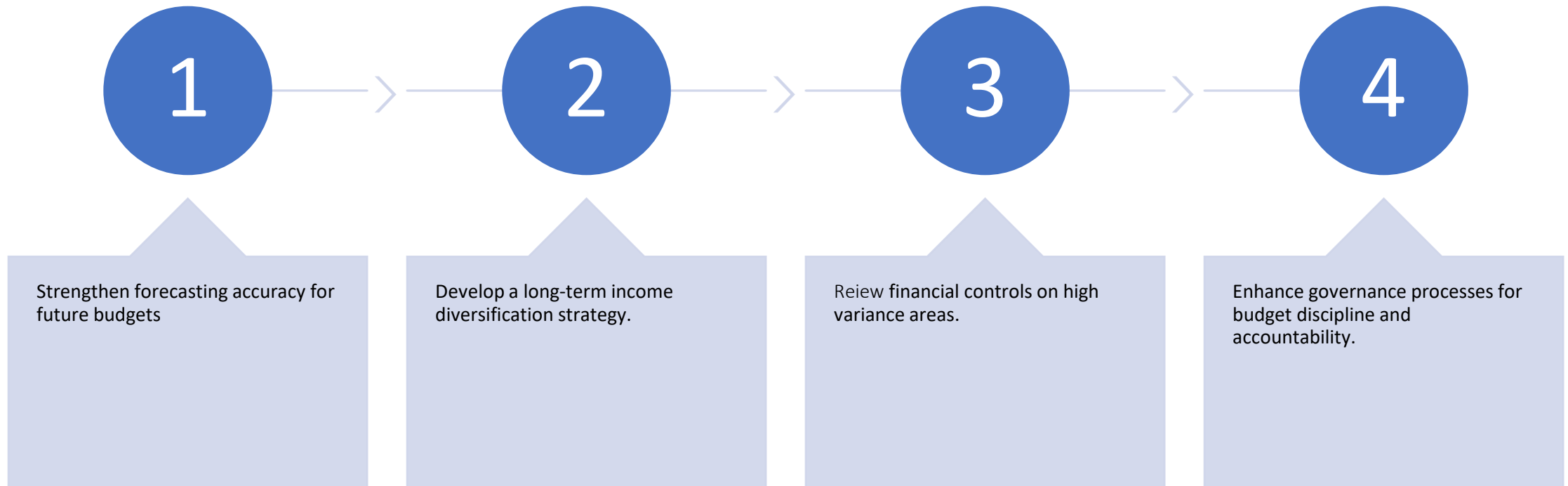
Risk

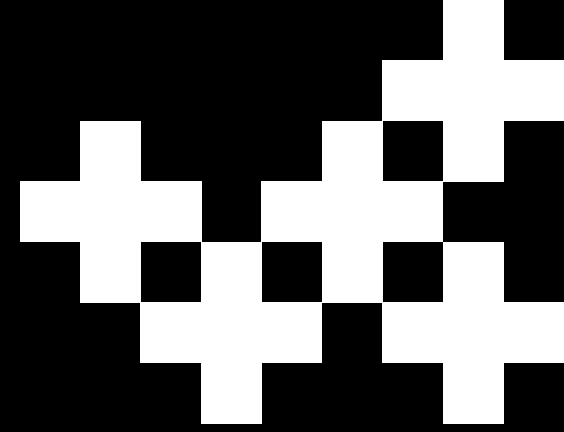
- Income risk on commercial income
- Staff cost risk- severance and pension strain costs and bank/contract/timesheet.
- Non staff costs risk – unplanned essential spend.

Mitigation

- Diversify revenue streams & enhance non grant income planning.
- Planning and continuous monitoring of staff cost relating to severance and implementation of bank/contract/timesheet staffing controls, to ensure all related costs are recognised.
- As Finance Staff and Budget Holders better understand budgets, ensure all income and expenditure is identified and budgeted for.

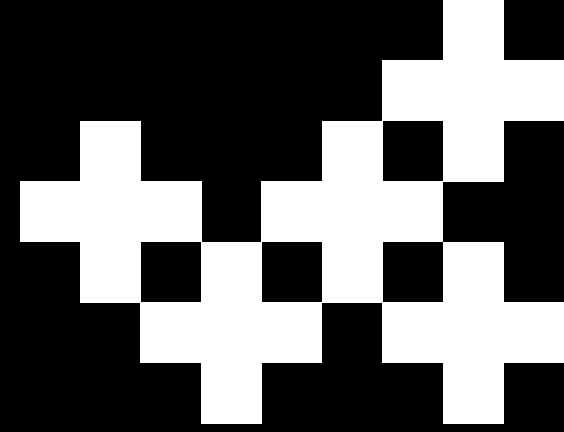
Next Steps and Recommendations





Questions?

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Thank You

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Committee Cover Sheet

Paper 13

Committee	Board of Management
Subject	UHI Perth – Financial Forecast to 31 July 2025
Date of Committee meeting	02/04/2025
Authors	Gavin Stevenson, Director of Finance Yemi Orioge, Finance Manager
Date paper prepared	14/03/2025
Executive summary of the paper	This paper includes a financial forecast to 31 July 2025 based on information to 31 January 2025 Amendments made to this presentation and reported to Finance & Resources Committee are reflected in this paper
Consultation How has consultation with partners been carried out?	Presented to Finance & Resources Committee, 24 March 2025
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)	Yes
Risk implications (If yes, please provide details)	Yes Notes the risk to financial sustainability
Link with strategy	Financial sustainability

Committee Cover Sheet

Paper 13

<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><u>Equality and diversity</u></p> <p>No</p> <p>If yes, please give details:</p>	<p>Click or tap here to enter text.</p>
<p>Island communities</p> <p>Does this activity/ proposal have an effect on an island community which is significantly different from its effect on other communities (including other island communities)?</p>	<p>No</p> <p>If yes, please give details:</p> <p>Click or tap here to enter text.</p>
<p><u>Data Protection</u></p> <p>Does this activity/ proposal require a Data Protection Impact Assessment?</p>	<p>No</p> <p>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>Non-Confidential</p>
<p>Freedom of information</p> <p>Can this paper be included in “open” business?* -Yes</p>	<p>Papers should be open unless there is a compelling reason for them to remain closed. If a paper, or parts of a paper, are to remain closed the reason for that exemption must be specified – see reasons below</p>

Committee Cover Sheet

Paper 13

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

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

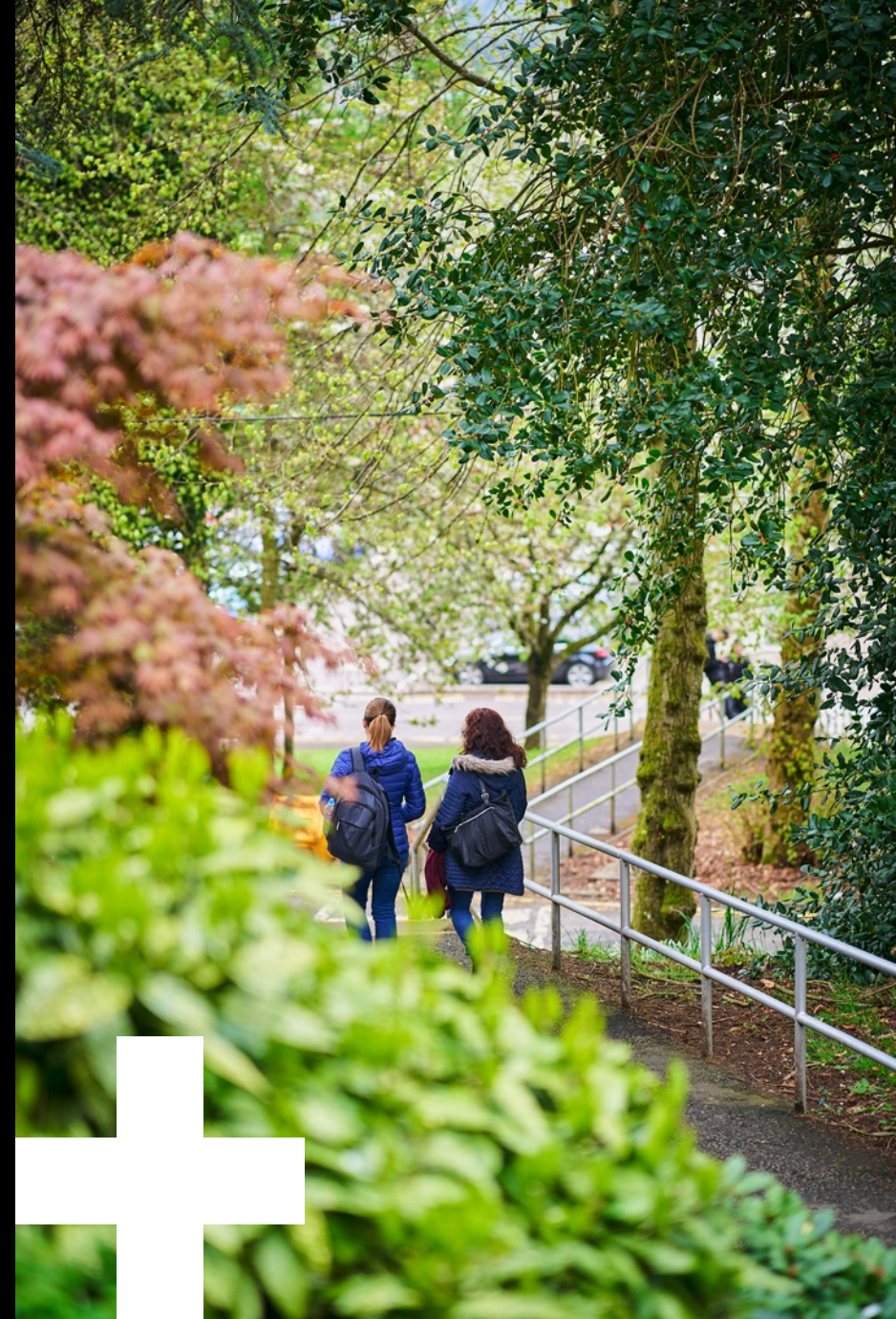
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Full Year Forecast at 31 January 2025 (H1)

Board of Management 02 April 2025

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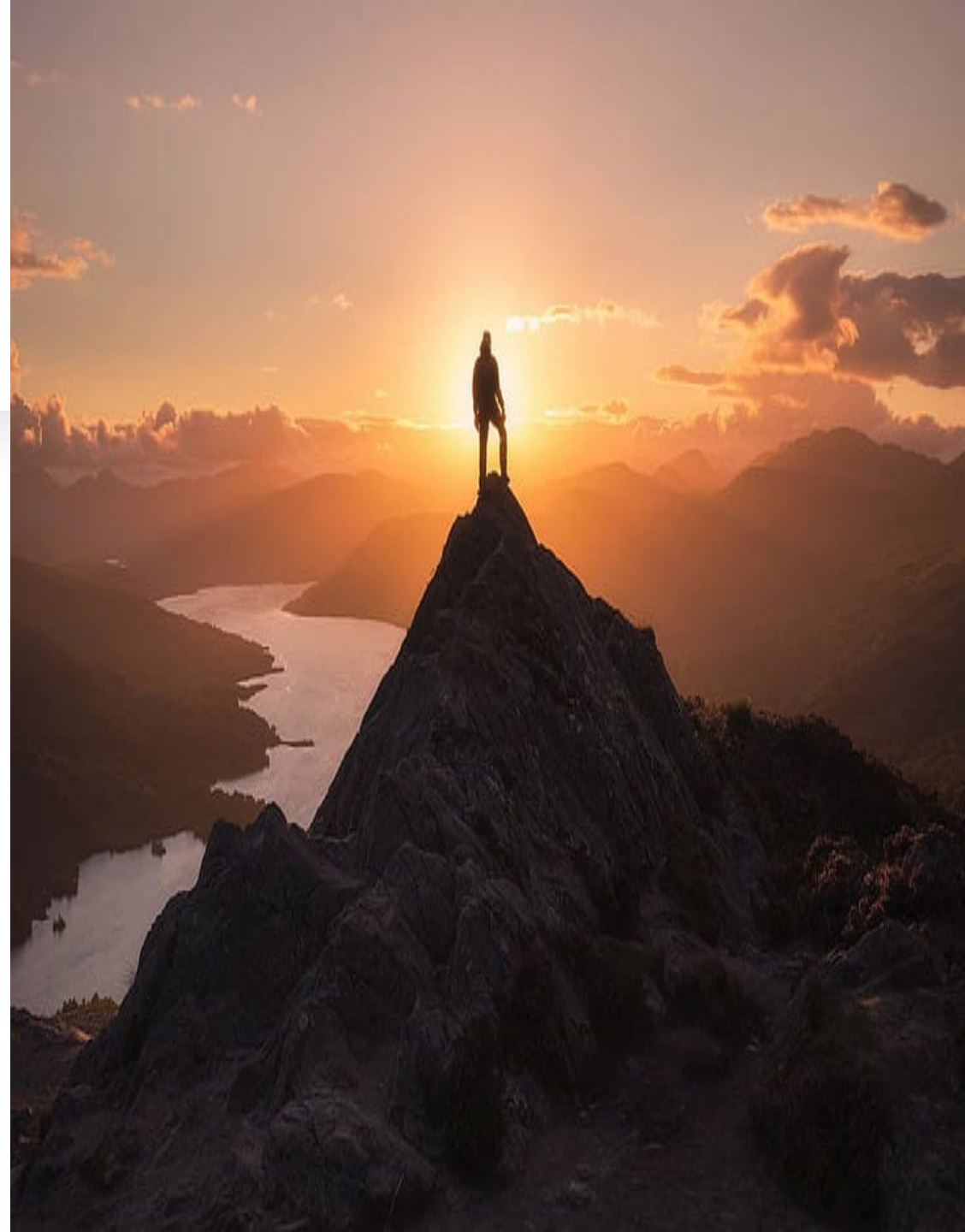
Introduction

- Financial outlook
- Provide an overview of the FY forecast
- Highlight key variances and assumptions
- Discuss financial risks and mitigation
- Next steps and recommendations



Outlook

- College and University sector under financial pressure – high profile deficits
- Flat funding likely next year
- SFC reviewing funding model – winners and losers
- Academic pay award – 4.14% in 2025/26 - SG providing £4.5m funding for this improved pay award
- Support staff pay claim - £2,000 per FTE per year for 2025/26 and 2026/27 – in negotiation
- Perth – 2025/26 predicting same as 2024/25 ie 22,050 FE credits and ~1,500 FTE for HE
- SG paying increased pension contributions for lecturing staff until 31 March 2025
- SG paying 60% of increased employer NI contributions for 2025/26
- UK inflation rate 3% at end of January 2025



FY Forecast – H1 2025

	FY Budget	FY Forecast	Variance
	£k	£k	£k
Income	25,315	26,318	1,002
Staff Costs	(18,870)	(19,117)	(247)
Non-Staff Costs	(7,733)	(9,028)	(1,295)
Surplus/(Deficit)	(1,288)	(1,827)	(540)

FY Forecast – Income

	FY Budget £k	FY Forecast £k	Variance £k
FE Grant Income	11,619	11,983	364
HE Grant Income	6,740	7,299	559
Other Grant Income	96	237	141
<i>Total Grant Income</i>	<i>18,455</i>	<i>19,519</i>	<i>1,063</i>
Tuition Fee Income	3,060	2,956	(104)
International Income	1,211	1,186	(25)
Managing Agents	275	275	(0)
Apprenticeship	185	152	(33)
Research	0	30	30
Commercial Income	2,112	2,081	(31)
Other Income	17	120	102
Total Income	25,315	26,318	1,002

Key Points:

- Full year forecast was carried out on the basis of 6 months actuals figures and budget holders best estimates of income for the remaining 6 months.
- There is a favourable variance of £1.0m against FY Budget primarily driven by Grant Income- SG funded increased academic pension contribution (£0.2m) and capital grant funding for lift (£0.09m). Further analysis to be provided at the Committee meeting.

FY Forecast – Staff Costs

	FY Budget	FY Forecast	Variance
	£k	£k	£k
Business, Technologies and Wellbeing	6,496	6,528	(32)
Art, Humanities & Education	5,436	5,267	169
Learning & Teaching Enhancement	269	241	27
Student Experience	1,401	1,520	(119)
Finance	561	523	38
HR&OD	460	511	(51)
ICT	657	552	105
Estates	1,251	1,532	(281)
International	267	201	66
Centre for Mountain Studies	252	282	(30)
SMT - Executive Office	717	763	(46)
Nursery	28	28	1
Other	250	126	123
Severance Costs - incl Pension Strain	823	1,042	(219)
Total Staff Costs	18,868	19,117	(249)

Key Points:

- Full year forecast was carried out on the basis of 6 months actuals figures and budget holders best estimates of expenditure for the remaining 6 months – staff and non-staff costs on next slide.
- Total FY forecast Staff Costs of £18.9m is showing a £0.03m adverse variance, largely due to Estates (£0.3m ASW bank staff providing cover that was not budgeted), partly offset by savings in AHE £0.2m resulting from higher budget allocation and a total reduction of £0.1m from other cost reductions.
- Student experience adverse variance of £0.1m is due to unbudgeted bank staff cost.
- Other staff cost adjustments relates to school budget of £0.05m and National insurance increase of £0.1m - actual costs allocated across other codes.

FY Forecast – Non-Staff Costs

	FY Budget £k	FY Forecast £k	Variance £k
Business, Technologies and Wellbeing	1,019	1,053	(33)
Art, Humanities & Education	302	271	31
Learning & Teaching Enhancement	21	14	7
Student Experience	2,914	2,934	(20)
Finance	284	653	(369)
HR&OD	280	282	(2)
ICT	745	847	(101)
Estates	2,023	2,817	(794)
International	105	88	16
Centre for Mountain Studies	0	31	(31)
SMT - Executive Office	38	37	1
Total Non-Pay Costs	7,732	9,028	(1,296)

Key Points:

- Adverse Non-Staff Costs variance of £1.3m is due to Estates (£0.8m – see below), Finance (£0.4m-see below) and ICT (£0.1m- included in forecast as a contingency for IT equipment breakdown).
- Estate cost budget was underestimated by £0.7m on the catering contract and £0.1m catering loss is forecast.
- Finance - Non staff cost budget did not include £0.3m relating to HISA, Shared Services – EO service cost and External Audit.

Forecast – Assumptions

Grant income remains stable and continues to contribute positively.

No unexpected losses in other income streams.

Future staff costs will not significantly exceed reforecast expectations.

Estate-related staff cost overruns have been accounted for.

Estate, Finance and ICT costs are not expected to increase beyond the current forecast.

Catering cost will continue at forecasted levels.


Estate costs will be better aligned with actual spending to avoid further understatement.

Forecast – Risks & Mitigation

Risks

- **Macroeconomic Risk:** Inflation & Market Uncertainty.
- **Operational Risk:** Higher than expected staffing and operational cost.
- **Financial Risk:** Cashflow constraints if cost overruns continue.
- **Regulatory Risks:** Unexpected compliance cost or policy changes.

Mitigation

- Continuous cost monitoring and adjustments.
 - Exploring cost saving initiatives.
 - Reviewing budget assumptions to prevent underestimations.
- 

Next Steps & Recommendations

1

Assess alternative revenue streams and review operational efficiencies.

2

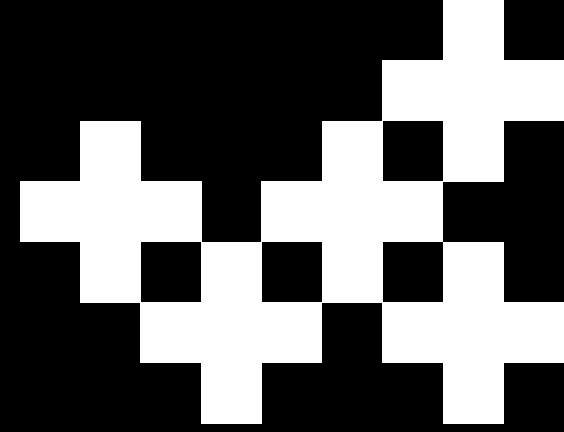
Implement regular forecasting updates.

3

Strengthen budget estimation methods.

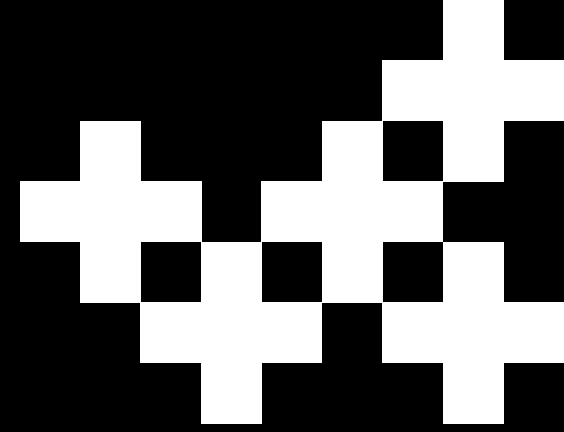
4

Board meeting on 2 April- provide cashflow and updated forecast for 2025/26 and 2026/27.



Questions?

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Thank You

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Committee	Board of Management
Subject	UHI Mid-Year Review 2024-25
Date of Committee meeting	02/04/2025
Author	Gavin Stevenson, Director of Finance
Date paper prepared	28/03/2025
Executive summary of the paper	<p>UHI Perth is required to submit a Mid-Year Review (MYR) to Scottish Funding Council on an annual basis.</p> <p>Paper reflects same core information as that presented in Forecast, with exception of the following:</p> <ul style="list-style-type: none">• MYR represents the Group position including AST• Deficit of £3.9m per MYR includes ~£1.7m depreciation and ~£0.35m AST loss, adjusting for which shows the underlying College only deficit of ~£1.8m.
Consultation Please note which related parties, stakeholders and/or Committees have been consulted	N/A
Action requested	<input checked="" type="checkbox"/> For information <input type="checkbox"/> For discussion <input type="checkbox"/> For endorsement <input type="checkbox"/> For approval
Resource implications Does this activity/proposal require the use of College resources to implement? If yes, please provide details.	Yes/ No

Perth College UHI

<p>Risk implications</p> <p>Does this activity/proposal come with any associated risk to the College, or mitigate against existing risk? (If yes, please provide details)</p>	<p>Yes/ No</p> <p>This is a requirement of governance within the Financial Memorandum.</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>Compliance</p> <p>Risk Management</p>
<p><u>Equality and diversity</u></p> <p>Does this activity/proposal require an Equality Impact Assessment? If yes, please give details:</p>	<p>Yes/ No</p>
<p><u>Data Protection</u></p> <p>Does this activity/proposal require a Data Protection Impact Assessment? If yes, please give details:</p>	<p>Yes/ No</p> <p>Click or tap here to enter text.</p>
<p>Island communities</p> <p>Does this activity/ proposal have an effect on an island community which is significantly different from its effect on other communities (including other island communities)?</p>	<p>Yes/ No</p> <p>If yes, please give details:</p> <p>Click or tap here to enter text.</p>

Perth College UHI

Status (e.g. confidential/non confidential)	Non Confidential
Freedom of information Can this paper be included in "open" business?*	Yes/ 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 type="checkbox"/>	Its disclosure would constitute a breach of confidence actionable in court	<input type="checkbox"/>
Its disclosure would constitute a breach of the Data Protection Act	<input type="checkbox"/>	Other [please give further details] Click or tap here to enter text.	<input type="checkbox"/>

For how long must the paper be withheld? Click or tap here to enter text.

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<http://www.itspublicknowledge.info/ScottishPublicAuthorities/ScottishPublicAuthorities.asp>
and http://www.itspublicknowledge.info/web/FILES/Public_Interest_Test.pdf

UHI Perth

	FFR 2024-25	MYR 2024-25	Variance	Variance	Explanation for variance
Statement of Comprehensive income and expenditure (Consolidated)	£000	£000	%	£	
INCOME					
Tuition fees and education contracts	5,569	5,167	-7.2%	-402	
Funding council/RSB grants	17,189	20,469	19.1%	3,280	
Research grants and contracts	0	0		0	
Other income	3,419	2,450	-28.3%	-969	
Investment income	0	0		0	
Total income before donations and endowments	26,177	28,086	7.3%	1,909	
Donations and endowments	0	0		0	
Total income	26,177	28,086	7.3%	1,909	
EXPENDITURE					
Staff costs	18,536	19,406	4.7%	870	
Staff costs - exceptional restructuring costs	840	1,042	24.0%	202	
Exceptional costs - non-staff	0	0		0	
Other operating expenses	6,904	9,780	41.7%	2,876	Var due to missed FFR catering cost (£0.8m), Fini
Donation to Arms Length Foundation	0	0		0	
Depreciation	2,026	1,718	-15.2%	-308	
Interest and other finance costs	3	2	-33.3%	-1	
Total expenditure	28,309	31,948	12.9%	3,639	
Surplus/(deficit) before other gains and losses and share of operating surplus/deficit of joint ventures and associates	(2,132)	(3,862)	81.1%	-1,730	
Gain/(loss) on disposal of fixed assets	0	0		0	
Gain/(loss) on investments	0	0		0	
Share of operating surplus/(deficit) in joint venture(s)	0	0		0	
Share of operating surplus/(deficit) in associate(s)	0	0		0	
Surplus/(deficit) before tax	(2,132)	(3,862)	81.1%	-1,730	
Other taxation	0	0		0	
Surplus/(deficit) for the year	(2,132)	(3,862)	81.1%	-1,730	
Unrealised surplus on revaluation of land and buildings	0	0		0	
Actuarial (loss)/gain in respect of pension schemes	0	0		0	
Other comprehensive income	0	0		0	
Total comprehensive income for the year	(2,132)	(3,862)	81.1%	-1,730	Higher deficit reported due to increased total expenditure in the period.

STRICTLY CONFIDENTIAL:**UHI Perth / AST briefing note from the RSB to SFC 25.3.25**

1. Executive Summary

Air Service Training (AST) is a wholly owned independent limited company owned by UHI Perth and it plays a crucial role in delivering the Part 66 aircraft maintenance certification embedded within the BSc (Hons) Aircraft Maintenance Engineering and Management programme.

This programme, unique to Scotland, provides students with the opportunity to obtain both an honours-level degree and a Part 66 competency-based Certificate of Recognition from a Part 147 organisation, which significantly reduces the minimum aircraft maintenance experience required before applying for an aircraft maintenance licence. However, due to the ongoing impact of the pandemic, the lack of investment by airlines in training the next generation of engineers (and associated commercial contracts) and lower than expected international student numbers, AST is currently facing extreme trading difficulties. This paper outlines the potential impacts on UHI Perth if AST ceases to trade and provides recommendations for mitigating these impacts, including exploring alternative providers, cost implications, and logistical considerations.

The relationship between the RSB/UHI Perth and AST is complex however this has recently been clarified by legal advice obtained by AST. This legal advice states that as an independent commercial entity, any decisions with regard to the ongoing trading of AST rest with the AST Board of Directors alone. However, as the RSB, UHI has a direct responsibility for UHI Perth as an assigned college and the provision of higher education to Scottish funded students and therefore is working closely with UHI Perth on the implications of AST no longer being able to provide HE to UHI students.

This briefing note has been prepared from information provided by AST/UHI Perth to the RSB and thanks are given to Dr. Margaret Cook, (Principal and Chief Executive of UHI Perth) and her team in sharing this information in confidence. The SFC have been receiving updates on this matter since the position first came to light on the 12th of March 2025.

The AST Board continue to meet, take professional legal and financial advice and review options for the business.

Last week the Board of AST asked the General & Accountable Manager of AST (Mr. Mark Taylor) and the Principal of UHI Perth, Dr. Margaret Cook to look at any options for the sale of AST, Ayrshire College was approached as they have an interest in the aviation industry, however they have indicated that they would consider buying aspects of AST resources e.g. IP, Notes, exams etc from any liquidator appointed for AST but were not interested in buying the company.

The AST General & Accountable Manager approached a number of AST's current customers and others who AST have relationships with to ascertain any interest in the purchase of AST and a Kuwait partner has indicated a very strong interest.

AST are now looking to give a 28-day period to complete any sale, and the interested parties are engaging well with AST by providing a series of detailed questions which AST will respond to over the next week as the Kuwait interested party will be closed for EID. During this time AST will continue to explore other options and would be open to any discussions on other funding sources from SFC or any other Scottish Government department to maintain the only provider of its type in Scotland, with the appropriate involvement from the RSB where applicable.

The Board of AST will continue to monitor the situation and take any appropriate action which may be necessary in conjunction with their professional advisers. **It should be noted that this is a developing situation, and all communications should be treated with the utmost confidence given the potential wider impacts on staff, students, stakeholders and wider media interest.**

2. Current Situation

The BSc (Hons) Aircraft Maintenance Engineering and Management course, developed in conjunction with AST, is one of a kind in Scotland and only one of a handful in the UK and one of UHI's USPs which meets the European Aviation Safety Agency (EASA) and United Kingdom Civil Aviation Authority (UKCAA) Category B1.1 and B1.3 aircraft maintenance licence syllabus.

As part of the honour's degree, students complete the Part 66 training and examinations during their first, second and third year, which is essential to the completion of the course and to obtaining the Part 66 Certificate of Recognition.

Given the trading difficulties faced by AST and the strong likelihood of administration, there is a significant risk that UHI Perth may be unable to deliver this critical component of the programme if AST ceases to trade. This would require UHI Perth to identify alternative Part 147 providers for the Part 66 Basic Training Courses and potentially face significant operational and financial challenges. This work is underway.

3. Impacts of AST Ceasing to Trade

1. Impact on the BSc (Hons) degree programme:

If AST ceases to trade, a replacement Part 147 provider for the Part 66 training would need to be found to ensure continuity in the BSc (Hons) Aircraft Maintenance Engineering and Management programme. This option has still to be investigated as due to the commercial sensitivity it has been decided that UHI Perth would not contact other Part 66 providers, e.g. Resource group, KLM UK Engineering Technical College, Total Training Support, Novae Training Solutions et al, until a definitive decision on AST's operating position as a going concern is confirmed.

2. Impact on New Students Starting in September 2025:

Without a replacement provider, UHI Perth would have to decline their offer of a place to incoming first-year students and/or find them an alternative degree programme. It is possible that UHI Perth could reschedule the sequencing of the Part 66 modules to the latter years giving UHI Perth time to find an alternative Part 66 provider. Given that most students sign up for this course due to the fact they want to take up a career as a certified aircraft engineer working in the aircraft industry it is logical to assume that most would decline their place and try to find a similar or alternative course elsewhere. In any event there is an urgent need for UHI Perth to decide sooner rather than later to give students a realistic opportunity of finding a similar or entirely different degree or training programme at another HEI or training establishment.

The number of new students potentially impacted is 28 (maximum), realistically 22

3. Impact on Current Year 1 Students Progressing into Year 2:

Students currently in their first year who will have completed 624 hours of the Part 66 training, will in Year 2, need to be offered an alternative pathway, should an alternative provider not be found.

The number of Year 2 students potentially impacted is: 27 (maximum)

4. Impact on Current Year 2 Students Progressing into Year 3:

Students entering Year 3, already three quarters through their Part 66 training having completed another 585 hours, would need to be directed to a replacement provider.

However, this would require ensuring that the new provider delivers the EASA Part 66 programme in the same manner to avoid duplication or missing essential content.

This transition would potentially involve: 21 (maximum) students

5. Impact on Current Year 3 Students Progressing into Year 4:

Students entering their final year of study will be able to complete their honours year as AST has no input into this year of study. In year 3 students complete another 234 hours of their Part 66 and take their final examinations.

The number of Year 3 students is 3, one being direct entry

6. Impact on current and future Tay City Deal Bids:

The college's plans to include AST in potential city deal bids will need to be reviewed if AST ceases to operate, potentially affecting future opportunities for growth and funding through this initiative, including potential reputational damage for UHI Perth within the local community, region, and as the project is funded by UK government funding, supported by the Scottish Government, it could have more significant ramifications for the organisation.

Committee Cover Sheet

Paper No. 7a

Name of Committee	Board of Management
Subject	AST Update
Date of Committee meeting	16/04/2025
Author	Margaret Cook, Principal
Date paper prepared	10/04/2025
Executive Summary Please provide a concise summary of the Paper outlining the purpose, impact and recommended future actions if approved	Paper provides background and context of the recent decision to enter AST, a wholly-owned subsidiary of UHI Perth, into Administration, and advises Board on the immediate impacts and next steps.
Committee Consultation Please note which Committees this paper has previously been tabled at, and a brief summary of the outcomes/actions arising from this.	n/a
Action requested	<input checked="" type="checkbox"/> For information <input type="checkbox"/> For discussion <input type="checkbox"/> For endorsement <input type="checkbox"/> For approval <input type="checkbox"/> Recommended with guidance (please provide further information, below)
Strategic Impact Please highlight how the paper links to the Strategic Objectives of UHI Perth or the UHI Partnership: Strategic-Plan-2022-27.pdf If there is no direct link to Strategic Objectives, please provide a justification for inclusion of this paper to the nominated Committee.	n/a

Committee Cover Sheet

Resource implications Does this activity/proposal require the use of College resources to implement? If yes, please provide details.	No – paper provided for information
Risk implications Does this activity/proposal come with any associated risk to UHI Perth, or mitigate against existing risk? If yes, please provide details.	No Click or tap here to enter text.
Equality & Diversity Does this activity/proposal require an Equality Impact Assessment? If yes, please provide details.	No
Data Protection Does this activity/proposal require a Data Protection Impact Assessment? If yes, please provide details.	No Click or tap here to enter text.
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)?	No If yes, please give details: Click or tap here to enter text.
Status (ie confidential or non-confidential)	Non-Confidential If a paper needs to remain confidential for a prescribed period of time before being made 'open', please advise how long must the paper be withheld: Click or tap here to enter text.

Committee Cover Sheet

Committee Cover Sheet

Freedom of Information

Please note that **ALL** papers will be included within 'open' business unless a justifiable reason can be provided.

Please select a justification from the list, below:

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

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and

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

Committee Cover Sheet

AST Update to UHI Perth Board

Background

Air Service Training (Engineering) Limited, aka AST, is a company limited by shareholding, with UHI Perth being a 100% shareholder in the company.

Following a scheduled AST Board meeting on 26 February 2025, a request was made to UHI Perth to defer payment of 50% of an annual Management Fee of £100,000 to allow AST to negotiate some cashflow issues and to permit a period to consider alternative options for the business, as well as allowing the 2024/24 AST accounts to be signed off due to the disclosed material uncertainty around Going Concern.

At an Extraordinary Meeting of the Board of Management of UHI Perth on 06 March 2025, further financial detail was requested before a request for deferred payment could be approved.

An Emergency Meeting of AST Board was convened for 17 March 2025 to discuss options available for the business, and at this meeting specialist support was received from Henderson Loggie in respect of Business Recovery, and from Thorntons LLC in respect of specialist legal advice. AST Board were informed at this stage that, while cognisance around impact on students and staff was a related concern around the sale or otherwise of the business, AST Board's primary legal consideration was to AST's creditors.

AST Board met on a regular basis, with specialist advice provided at every meeting, to monitor progress on the limited options available to secure a buyer for the company. However, despite protracted negotiations with an interested AST client, no sale could be achieved and, with no other options available to fund the business, a 6th Emergency Meeting of AST Board on 08 April 2025 made the difficult decision to enter AST into Administration.

The University, SFC and Scottish Government have been kept up to date with each step in the process as is required by the Financial Memorandum.

Next Steps

Henderson Loggie were officially appointed as Administrators for AST on 10 April 2024, and at that stage took over full control over the business from AST Board.

Henderson Loggie have agreed to AST continuing partial trading as a "Managed Stop" to allow completion of the Academic Year for the BSc course taught in part by AST staff on behalf of UHI. The costs of this process (c£31,500) will require to be underwritten by UHI Perth, however UHI Perth and UHI have a legal duty to teach out students, and the costs of this delivery may be partially offset by the running/completion of commercial courses within this timeframe.

Committee Cover Sheet

UHI Perth and UHI will now commence the search for an alternative provider to teach that aspect of the course currently taught by AST; this will require to be a provider elsewhere in the UK as there are no alternatives in Scotland. This will allow either the completion of all years of the BSc, or the continuation of teaching this degree going forward, dependant on the arrangements that can be put in place. The process of sourcing an alternative provider could not be commenced until the Administration was agreed, as this would have alerted the industry to AST's perilous position.

The aviation regulatory bodies UK Civil Aviation Authority (UK CAA) and the European Union Aviation Safety Agency (EASA) have been informed of the decision and will work with the Administrator to ensure their regulatory and statutory requirements are respected.

Committee	Board of Management
Subject	Draft Recovery Options
Date of Committee meeting	16/04/2025
Authors	Senior Leadership Team
Date paper prepared	11/04/2025
Executive summary of the paper	This paper sets out options to consider in developing a recovery plan for UHI Perth. The Senior Leadership Team will meet with the Executive Office of UHI as the Regional Strategic Body to discuss the recommended options and agree the approach to further developing a recovery plan.
Consultation How has consultation with partners been carried out?	No
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)	Yes The recovery plan makes assumptions about future income and expenditure.
Risk implications (If yes, please provide details)	Yes Notes the risk to financial sustainability

<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>Financial sustainability</p>
<p><u>Equality and diversity</u></p> <p>No</p> <p>If yes, please give details:</p>	<p>Click or tap here to enter text.</p>
<p>Island communities</p> <p>Does this activity/ proposal have an effect on an island community which is significantly different from its effect on other communities (including other island communities)?</p>	<p>No</p> <p>If yes, please give details:</p> <p>Click or tap here to enter text.</p>
<p><u>Data Protection</u></p> <p>Does this activity/ proposal require a Data Protection Impact Assessment?</p>	<p>No</p> <p>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>
<p>Freedom of information</p> <p>Can this paper be included in “open” business?* -Yes</p>	<p>Papers should be open unless there is a compelling reason for them to remain closed. If a paper, or parts of a paper, are to remain closed the reason for that exemption must be specified – see reasons below</p>

Perth College UHI**Paper 8 (Revised)**

* 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

Background

1. The Board approved a deficit budget of £1.288m for 2024/25 at the meeting of 18 December 2024. UHI Perth can only continue to operate as a going concern as the Scottish Funding Council (SFC) is providing an advance of funding repayable when we have sufficient funds. The Board asked the Senior Leadership Team to provide a recovery plan that sets out how we will achieve financial sustainability.
2. This exercise is a continuation of the financial sustainability project started during the 2023/24 financial year when a series of workstreams was established to review:
 - a. Academic re-organisation
 - b. Professional services re-organisation
 - c. Estates
 - d. Continuous Improvement
 - e. Additional profitable income sources
3. From the 2023/24 exercise savings of £3.2m were identified, mainly from the academic and professional services workstreams, split between staff savings of £2.2m and non-staff savings of £1.0m. To date £1.8m has been realised as we are still consulting with potentially affected employees. We also saved £1.7m annualised staff costs from voluntary severance in 2022/23 and over the last two years we have lost ~100 staff (19% of the workforce) through voluntary severance.
4. This significant reduction in staff has impacted on capacity and higher levels of stress were reported by the remaining staff in the stress surveys in 2024 and 2025. The Senior Leadership Team is extremely concerned that we have reached a 'tipping point' and further reductions to staff will severely impact on the student experience, student numbers/retention and attainment, services to our local community, staff health and wellbeing, governance and compliance. To help mitigate this moving forward we will need to invest to save and harness digital empowerment and process automation to ensure we can work smarter.
5. The Scottish Funding Council (SFC) is currently reviewing the funding model for the College sector and discussions will take place with the Executive Office of UHI (EO) as the Regional Strategic Body (RSB). UHI Perth has no visibility of any changes and their impact, although the SFC has intimated that flat cash is likely in 2025/26 as a year of transition with changes to the funding model coming into effect from 2026/27.

Role of the Regional Strategic Body (RSB)

6. On 3 April the Executive Office (EO), in its role as RSB, raised concerns with the Chair of the Board about how effectively the Board was being enabled to discharge their duties in line with good governance and the management of public finances. This was partially triggered by the errors made by Finance meaning an increase to the forecast deficit

based on the half-year position by £0.537m to £1.827m and the need for development of the financial recovery plan.

7. The RSB is committed to working constructively with executive colleagues and board members at UHI Perth to support the development of the recovery plan and will attend the Board meeting on 16 April 2025 where this paper will be discussed.

Draft recovery plan

8. The Senior Leadership Team recommends that the recovery plan should cover an initial two-year period to 31 July 2027 to provide an opportunity to introduce improvement initiatives to make efficiencies, to allow the management structure introduced in 2024 to bed in and to assess any impacts from the UHI transformation project.
9. The recovery plan was discussed at the Board meeting on 6 March, the Strategic Development Committee on 11 March and the Finance and Resources Committee on 24 March. Comments from these meetings have been reflected in this revised plan. The general view of Board directors was that most of the options identified below are operational and they favoured strategic options, which would have greater financial impact. The financial table at appendix 1 shows that the budget cannot be balanced by 31 July 2027 by only implementing the operational measures identified in this paper.

Options within UHI Perth's control

10. The options identified below are operational in nature and are within UHI Perth's control to action. However, there are risks and dependencies associated with each which are included at appendix 3. Financial impacts are included at appendix 1.
 - i. **Reduce the professional services annual staff budget by 10% compared to the 2024/25 budget on a phased basis by 31 July 2027.** Professional services staff are already under pressure as most areas have had staff reductions over the last two years and there have not been funds available for investment in hardware and systems that would generate efficiencies to allow a further reduction in staff while at the same time providing assurances of service continuity. However, this option has been identified as we must seek savings across the organisation. We will achieve the reduction by managing vacancies and voluntary severance in all the professional services identified in appendix 1.
 - ii. **Review all curriculum areas informed by the course profitability model, other relevant data and wider considerations.** A comprehensive review will take place across the whole of the curriculum with a view to making any changes in the 2026/27 academic year. We are updating course profitability models with current figures. UHI Perth currently has great depth and breadth of curriculum giving excellent choice and opportunities for students. Any reductions in courses would likely mean a reduction in lecturers and could mean that we fall short on FE credits or HE numbers, which then

reduces income unless we can attract compensatory numbers into remaining courses.

- iii. **Decant the Goodlyburn building with a view to future sale.** Estates master planning of the Crieff Road campus is already underway. Sale of the Goodlyburn building should be considered as it is expensive to operate, needs extensive repair and won't meet carbon emissions targets. As a first step, we will start to decant classes and facilities to other areas of the Crieff Road campus on a phased basis while continuing discussions with Perth & Kinross Council and other partners. There would be an impact on students being taught in another location but retention of/ improvement to quality of teaching would be a prerequisite. There will be costs involved in making some of the moves but it is not possible to put a figure on this until the detail is known.

The most recent three-year external valuation of Goodlyburn provided a fair value at 31 July 2023 of £11.8m (£11m building and £0.8m land). It is unknown whether this value would be achieved on sale. SFC have recently changed guidance to allow Colleges to retain 70% of any capital receipt between £1m and £10m if approval is given in writing by Scottish Ministers.

- iv. **Increase ASW income and reduce costs to ensure that the facility generates a profit margin for commercial activities of at least 30% by 31 July 2027.**

Commercial activities are targeted to at least cover corporate overheads of 30% but in the most recent financial report, ASW is forecasting a profit margin of 16% for 2024/25 – 14% less. The Director of Estates and the ASW General Manager will continue to work over the coming months to establish whether at least 30% target is achievable.

Commercial income is dependent on staff, student and public volume and pay per use/ membership. ASW staff are on the same terms and conditions as other staff in UHI Perth which are generally significantly more advantageous than other commercial providers, making it challenging to compete on a cost basis in the local market. Bank staff costs are variable depending on the cover required. We will investigate how we can best use technology to create efficiencies within the facility.

- v. **Reduce module leadership (ML) remission from 17 hours to 13 hours per semester from 2025/26.** EO advised academic partners last year that they would not continue to pay for ML remission thereby transferring the cost burden to partners. EO is now reviewing this decision, but it is so late in the academic year that UHI Perth has had to make the decision to continue to pay for ML. UHI Perth considers that ML is necessary to maintain the standard of student experience, although the number of hours per semester could be reduced. By reducing 4 hours of teaching time per semester per Module Leader, cover is not required from contract staff or additional

hours from existing staff for this time thereby reducing costs. UHI Inverness is using this model and report that it's working well.

- vi. **Review the structure of the Senior Leadership Team and Perth Leadership Group.** In August 2024 a new structure was put in place and the Senior Leadership Team was reduced by 40% (from five to three members) and the Perth Leadership Group reduced from eleven to nine members (~20%). We will continue to review the capacity of the operating structure

Options for recovery – partner dependency

- 11. There are several options that are more strategic in nature and cannot be done in isolation, without working with the Executive Office of the UHI (EO), Perth & Kinross Council or other partners.
 - i. **Reduce the top-slice paid to EO by 20% in 2025/26 (~£960k) and an additional 20% in 2026/27 (~£770k).** We must continue to raise this issue for consideration as the top-slice figure of ~£4.8m has such a significant financial impact, and it is acknowledged does not represent value for money for UHI Perth. There would be no direct impact on students by reducing top-slice
 - ii. **Identify and transfer key services from UHI Perth to EO.** Efficiencies could be made across the UHI partnership by sharing services and removing duplication, potentially in a geographically dispersed model. This is an option identified in the UHI transformation project and EO could consider developing a transfer model and expediting specified services on a pilot basis within the next two years. Each service transferred would reduce the cost to UHI Perth but increase the cost to EO. There would be complexities such as TUPE transfer for staff, pensions and VAT on shared services to consider. We must ensure that there is no adverse impact on students as a result of transfer.
 - iii. **Develop new curriculum pathways eg compressed degrees, hybrid learning and shorter courses.** A partner wide review of the curriculum of UHI is about to begin and it is understood that some of these options will be considered. The SFC has also launched an initiative to review the classification of courses by subject group, although no detail is yet available. In considering any development, there are limitations imposed by national bargaining in terms of maximum hours of teaching each week. Expediting these initiatives would potentially attract and retain more students and enhance the student experience.
 - iv. **Review existing international business and scope for development in the current environment.** The drop in international students to the UK has been well documented in the press recently with international governments and institutions increasingly preferring associations with ranked universities. UHI Perth has also

experienced challenges in terms of lead times and compliance issues to forge international networks and agreements and significant up-front costs must be incurred to build relationships for contracts that may not transpire. The initiatives set out below are aimed at increasing the income generated from international students and partnerships, creating additional revenue streams and improving the overall financial performance of the international department.

- a. **New 'offers' to existing students – increase year 4 students.** Offer incentives or special deals to existing partners to increase the number of Year 4 students coming to study eg match funding.
 - b. **Develop an in-house International English Language Testing System (IELTS) service for all existing international partners.** This would be a new development for Perth and is in place in other academic institutions which could be offered through our language school during the summer months. A business case would need to be developed to understand the full cost implications and accreditation issues.
 - c. **Targeted development of new markets.** Focus on developing and targeting new markets for student recruitment and international partnerships. There are potential opportunities in countries such as Vietnam
- v. **Stop the delivery of HE/ provide HE under a licensing arrangement.** There was a suggestion at the Board to review this option at a high level with UHI Perth focussing on FE rather than HE, the same as other Colleges in the sector. Information is included at appendix 4.
- vi. **Convert reduced HE numbers to an increase in FE credits.** In the UHI partnership, including Perth, HE numbers have reduced since the pandemic, however the demand for FE is high. If there was an agreement with SFC to convert HE FTEs into FE credits this would enable us to attract more FE students and generate additional income for Perth without impacting the student experience or increasing the number of lecturing staff.

Financial considerations

12. Appendix 1 summarises potential savings from options within our control - £4.284m cumulative over a three-year period, although £3.5m is an assumed sale for Goodlyburn. Appendix 2 provides an estimate of what potentially could be achieved over a three-year period if options out with our control were progressed (£3.6m). Three years have been included to show full-year effect in year 3.
13. In the 2024/25 budget paper, based on assumptions at that time, the budget deficit for 2025/26 was forecast as £0.768m and £1.229m in 2026/27. We will update these forecasts as part of the 2025/26 budget exercise using assumptions provided in

guidance from the Scottish Funding Council and the EO where other assumptions are required to ensure consistency.

Voluntary Severance (VS)

14. The permission we have for our current VS Scheme expires on 31 July 2025 and we will consider whether we will open this up to staff before this date. We will also request permission from the Board to apply for an extension to the scheme for a further period of time and whether the scheme should be revised. While VS will save money in the longer term there are one-off costs of severance and pension strain in the year that the costs are incurred. Pension strain is only an issue for employees in the Tayside Pension Fund (TPF) and is not relevant for employees in the academic pension scheme.
15. It should be noted that the TPF calculated the total amount of pension strain related to several agreed severances in the 2023/24 financial sustainability project as £681k payable over five years. The TPF could not start these calculations until the final pay award was agreed in September 2024. We recently received the proposed repayment schedule which includes interest on this amount of 3.31%, which was not identified initially. The total amount to be repaid is £790k with repayments commencing on 31/03/2025 with the last payment due by 31/12/2029.
16. The Board has stated previously that compulsory redundancy will only be considered as a last resort. It should be noted that pension strain costs are the same if a member of staff leaves through VS or compulsory redundancy.

Risks

17. There are three risk categories in the ERM (Enterprise Risk Management) strategic risk register that relate to the financial sustainability of UHI Perth – academic income, commercial income and financial (income and cost risk). The Board has minimal risk appetite for the academic and financial categories and a cautious risk appetite for the commercial category.
18. Risks for specific options are included at appendix 3.

Conclusion and recommendations

19. The Senior Leadership Team has made several recommendations noted below. However, before seeking Board approval the Senior Leadership Team will meet with EO to discuss the recommendations and agree the approach to further developing a recovery plan.

Options within UHI Perth's control

- 1) Progress option 1 to reduce the professional services annual staff budget by 10% compared to the 2024/25 budget on a phased basis by 31 July 2027
- 2) Progress option 2 to review the curriculum informed by the course profitability model, other relevant data and wider considerations over the next two years.
- 3) Progress option 3 and start to decant departments from the Goodlyburn building to other parts of the Crieff Road campus. This in itself does not guarantee a sale – see 10) below.
- 4) Progress option 4 to increase ASW income and reduce costs to ensure that the facility generates a profit margin for commercial activities of at least 30% by 31 July 2027.
- 5) Progress option 5 to reduce Module Leadership remission from 17 hours to 13 hours per semester from the 2025/26 academic year.
- 6) Continue to review the operating capacity within the Senior Leadership Team and Perth Leadership Group structure over the next two years – option 6.

Options for recovery – partner dependency

- 7) Option 1 - Continue to raise the issue of reducing UHI Perth's top-slice with EO.
- 8) Option 2 - Initiate discussions with EO on developing a methodology for transferring key services from academic partners to the EO. If TUPE transfer is involved and there are delays, it is less likely to take place unless it is linked to the transformation project.
- 9) Option 3 - Take active involvement in the partner wide review of curriculum for UHI and any other regional and national forums, where possible.
- 10) Continue discussions with Perth & Kinross Council to understand their interests in the land that Goodlyburn occupies (linked to recommendation 3 above).
- 11) Continue discussions with PKC and other partners to move facilities from Goodlyburn that can't be accommodated on the Crieff Road campus (link to recommendation 3 above).

- 12) Option 4 - Review existing international business and the scope for development in the current environment.
- 13) Option 5 - It is not recommended that we stop the provision of HE in UHI Perth or enter into a licensing arrangement with EO as high level figures suggest that it does not make financial sense without EO contributing more income and the risk of damage to the UHI partnership has too significant an impact.
- 14) Option 6 – Initiate discussions with UHI about exploring the possibility with SFC about converting HE numbers into FE credits.

Appendix 1 Financial Impact – Options within UHI Perth’s control

Professional Services 24/25 Staff Budget	Budget 24/25 £000
Estates	870
Executive Office	627
Finance	560
HR&OD	458
ICT&Library	575
Learning and Teaching Enhancement	268
Student Experience	1,304
Total	4,662
PLG included above (6 Directors)	(554)
SLT included in Exec Office above	(430)
Total In-Scope	3,678
Of which 10%	368

Option	Description	Yr 1 25/26 £000	Yr 2 26/27 £000	Yr 3 27/28 £000	Cumulative 3 Year Saving/Increased Income
1	ProfServices 10% staff savings	(38)	(80)	388	464
3	Sale of Goodlyburn	-	-	3,500	3,500
4	ASW margin improvement	(7)	60	6	119
5	Reduce Module Leadership	67	67	67	201
	Total	22	46	3,961	4,284

Assumptions

- 20% staff reduction in year 1 by 31 July 2026 and the remaining 80% by 31 July 2027. 50% of savings assumed as VS costs. Strain costs in addition – specific to individuals. 3% pay award assumed in each year.
- Figures have not been included for Option 2 as it is not possible to identify a financial impact at this time.
- Sales proceeds assumed at £5.0m and UHI Perth can retain 70%.
- Profit margin is forecast as 16% in 2024/25, 23% in 2025/26 and 30% in 2026/27 and 2027/28.
- Reduce ML remission from 17 to 13 hours for all module leaders (academic staff). Apply an hourly rate for lecturers. VS wouldn't result as these hours are covered by contracted staff/ additional hours for existing staff.
- Figures have not been included for Option 6 as it is not possible to identify a financial impact at this time. Salary including oncosts ~£100k-£125k depending on post, excluding Principal.

Appendix 2 Options for recovery – partner dependency

Option	Description	Yr 1 25/26 £000	Yr 2 26/27 £000	Yr 3 27/28 £000	Cumulative 3 Year Saving/Increased Income
1	Top-slice	960	768	614	2,342
2	Transfer key services	-	500	500	1,000
4a	International - new offers	-	80	80	160
4b	IELTS	-	20	20	40
4c	International - new markets	-	30	43	73
	Total	960	1,398	1,257	3,615

Assumptions

General: All these figures are estimates and may not be achievable due to partner dependency. They are provided to show what could be achieved if options were to be taken forward.

It is not possible to attach a figure to option 3 new curriculum pathways, option 5 to stop the delivery of HE / provide under a licensing agreement or option 6 HE to FE credits at this time.

1. Reduce the top-slice by 20% in 2025/26 and 2026/27.
2. Assume an average cost of professional services dept per appendix 1. Transfer takes place at the start of 2026/27.
- 4a. Assumes an additional 10 students/year at £8k per student (discounted from £16k) from 2026/27.
- 4b. Assume a profit for 25 students at £800 per student for a 6-week summer course starting in 2026/27.
- 4c. £2,500 per student: 12 in year 1 2026/27, 17 in year 2, rising to 22 in year 3.

Appendix 3 – Risks and dependencies for options within UHI Perth's control

1) Professional services 10% staff savings

Risks

- Statutory/ business requirements are not met eg if staff numbers are reduced before ensuring efficiencies are made by process review or system improvements, with less staff there's a higher likelihood of single person dependency for key tasks, specialist skills lost. If services are not delivered in line with stakeholder expectations, this could impact on reputation and affect student numbers and preferred pricing from suppliers for example.
- Threat to employee health and wellbeing, morale and retention after these reductions are communicated and when they are made. This could in turn have a negative impact on service delivery.
- Reducing services that impact on students may reduce student numbers/ reduction in student retention and achievement.
- Potentially higher risk of cyber attack if IT support and expertise reduced/ lost.

Dependencies

- Curriculum review – need to be clear what professional services are supporting
- Size and location of physical footprint of campus
- UHI Operating model
- Need to improve systems and processes to create efficiencies – investment required
- Partners/ stakeholders taking on services/ costs eg mental health and wellbeing services to students
- Specialist roles in place to progress eg continuous improvement. Need to have competitive salaries to attract people with the right skills.
- Self-service by service users in place.

2) Review all curriculum areas

Risks

- There is a risk that there is a large number of curriculum areas that make a financial loss. However, other data and wider considerations must be taken into account before making the decision to reduce courses. By reducing FE courses we would lose income if we can't meet our targeted number of credits. We already do not meet our targets for HE income and by reducing HE courses our income would reduce further.
- Reduction in courses doesn't necessarily mean a reduction in staff costs as many lecturers teach across different courses.

Dependencies

- Ensuring that we meet our FE credits and HE FTEs across the curriculum.

3) Decant Goodlyburn

Risks

- There are several specialist facilities in Goodlyburn and any decanting process must carefully consider how to preserve the current distinctive creative environment that supports student experience and create purpose-built spaces so as students and staff feel valued rather than displaced.
- The disruption of a well-established creative community could significantly affect staff and student morale and teaching delivery. It is vital that both are meaningfully involved in planning from the outset, with phased transitions that reflect the importance of maintaining both the functionality and the inclusive creative ethos that currently thrives in Goodlyburn.
- Costs are incurred accommodating facilities within other parts of the campus before savings are realised.

Dependencies

- Wider Estates strategy and careful planning and costing to ensure that space is available within the campus to enable decanting from Goodlyburn.
- Identification of alternative suitable accommodation for specialist facilities eg theatre.

4) ASW profitability

Risks

- Income targets are not met due to customers being attracted to competitors, insufficient marketing budget
- Expenditure targets are not met due to cover for staff absences, increased non-staff inflationary costs such as energy.

Dependencies

- Business case for changed staff structure/ investment in systems and infrastructure to create efficiencies against current costs

5) Reduce module leadership remission

Risks

- Impact on academic workloads and staff wellbeing
- Student experience affected if module delivery is not co-ordinated effectively. This may in turn result in loss of student numbers.

Dependencies

- EO is currently reviewing their decision to remove remitted time for ML and has advised they aim to arrive at a conclusion in the next month. Depending on their decision, the cost to UHI Perth in retaining partial remission may be dissipated.

6) Review the structure of the SLT and PLG

Risks

- The new structure introduced in 2024, when two members of SLT and two members of PLG left on voluntary severance, is still bedding in. Staff members are stretched and there is considerable pressure to manage current priorities and workload. Reducing the current number could exacerbate this further and impact on the wider staff group, the student experience and meeting governance and legislative requirements.

Dependencies

- Bedding in the current management structure and assessing capacity.

Appendix 4 - Stop the delivery of HE/ provide HE under a licensing arrangement

UHI Perth is an integral part of the UHI partnership that offers both Further Education (FE) and Higher Education (HE) programmes. A critical element of the current financial structure is the 35% levy that the Executive Office (EO) of the UHI deducts from the gross income generated by students recruited.

For the 2024/25 academic year, originally UHI Perth had targeted 1708.7 HE FTEs but by the beginning of term it was clear that these numbers were not going to materialise, and we changed our budget to account for 1,500 FTEs with teaching grant income of £6.1m and tuition fee income of £2.956m. There is a further £0.3m net income on controlled numbers.

EO has confirmed that the top-slice for 2024/25 based on the half-year forecast figures for HE is ~£3.8m.

An option identified in this paper suggests that UHI Perth could discontinue delivering HE programmes directly, shifting instead to a 'franchised delivery arrangement' whereby UHI Perth would charge the EO an amount to deliver HE. From UHI Perth's perspective income received would need to be in excess of the £9.356m already received in respect of teaching grant, tuition fee income and controlled grant to gain financially, assuming costs remained the same. This represents a strategic shift in how HE services are delivered and funded and would mean that the UHI would retain the same amount of students overall but would not receive the top-slice of £3.8m.

If UHI Perth stopped providing HE we would lose £9.356m income and would need to make a proportion of academic and professional services staff redundant. All academic staff have FE contracts even though some teach HE. As a very broad assumption, and without any detailed analysis, if 45% of academic staff were made redundant there would be savings of £4.942m although there would be one-off redundancy costs associated with this.

Strategic considerations

UHI Perth is in a strong position within the university partnership:

- **Largest Partner in the University:** As the largest partner, UHI Perth contributes over 33% of the university's total HE student base, with 1,500 students out of the university's total. This makes the college a critical stakeholder in the success and sustainability of the entire university partnership as the EO receives income equating to 35% of the combined teaching grant and tuition fees as a top-slice.
- **Irreplaceable Student Numbers:** The remaining partners in the university would struggle to replace the lost 1,500 fte's, which makes UHI Perth's HE offering indispensable to the university's continued operations and financial health and the university's financial position could be jeopardised if these numbers were lost.
- **Future of HE Delivery:** If the proposal succeeds, it could mark a new chapter in how UHI Perth engages with HE provision however, the shift must be carefully negotiated to avoid the risks of negatively affecting relationships with EO and/or damaging the overall partnership.

- **Reputation and Long-term Impact:** UHI Perth's reputation within the partnership could be affected by the success or failure of this proposal. A successful renegotiation could enhance UHI Perth's standing as a key player within the partnership, while failure could create long-term friction and strain.

Risks and Challenges

There are several risks associated with this proposal, both in terms of financial stability and institutional dynamics:

- **Risk of Scottish Government and Executive Office Pushback:** It is unlikely that Scottish Government or EO would readily accept that UHI Perth should cease direct delivery of HE programmes and it is likely to cause significant tensions politically and within the UHI partnership.
- **Political and Organisational Leverage:** The EO is likely to argue that politically, UHI Perth would not be able to follow through with such a drastic move. This could result in significant pressure to reverse or reconsider the proposal, especially considering the relationship dynamics within the broader university partnership.
- **Operational Complexity:** The transition to a franchised model would require extensive logistical coordination and clear agreements on the division of responsibilities, quality assurance, and financial oversight. This would involve additional administrative complexity and could mean investment in and increased costs of supporting managing and maintaining additional systems and IT infrastructure.

Committee Cover Sheet

Paper No. 9

Name of Committee	Board
Subject	Extension to the Voluntary Severance Scheme
Date of Committee meeting	02/04/2025
Author	Katy Lees
Date paper prepared	26/03/2025
Executive Summary Please provide a concise summary of the Paper outlining the purpose, impact and recommended future actions if approved	<p>This is a request for Board approval to extend the UHI Perth voluntary severance scheme to 31 July 2027. This would allow UHI Perth to have this scheme as a tool to mitigate compulsory redundancies if staffing reductions are needed beyond 31 July 2025. Noting that the Board has agreed that we should do everything we can to avoid compulsory redundancy.</p> <p>If approved by Board a business case will then be submitted to our Regional Strategic Body and then onwards to the Scottish Funding Council.</p>
Committee Consultation Please note which Committees this paper has previously been tabled at, and a brief summary of the outcomes/actions arising from this.	n/a
Action requested	<p><input type="checkbox"/> For information</p> <p><input checked="" type="checkbox"/> For discussion</p> <p><input type="checkbox"/> For endorsement</p> <p><input checked="" type="checkbox"/> For approval</p> <p><input type="checkbox"/> Recommended with guidance (please provide further information, below)</p>

Committee Cover Sheet

<p>Strategic Impact</p> <p>Please highlight how the paper links to the Strategic Objectives of UHI Perth or the UHI Partnership: Strategic-Plan-2022-27.pdf</p> <p>If there is no direct link to Strategic Objectives, please provide a justification for inclusion of this paper to the nominated Committee.</p>	<p>n/a</p>
<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 UHI Perth, 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>Equality & Diversity</p> <p>Does this activity/proposal require an Equality Impact Assessment?</p> <p>If yes, please provide details.</p>	<p>No</p>
<p>Data Protection</p> <p>Does this activity/proposal require a Data Protection Impact Assessment?</p> <p>If yes, please provide details.</p>	<p>No</p> <p>Click or tap here to enter text.</p>
<p>Island communities</p> <p>Does this activity/proposal have an effect on an island community which is significantly different from its effect on other communities (including other island communities)?</p>	<p>No</p> <p>If yes, please give details:</p> <p>Click or tap here to enter text.</p>

Committee Cover Sheet

Status (ie confidential or non-confidential)	Non-Confidential If a paper needs to remain confidential for a prescribed period of time before being made 'open', please advise how long must the paper be withheld: Click or tap here to enter text.

Freedom of Information

Please note that **ALL** papers will be included within 'open' business unless a justifiable reason can be provided.

Please select a justification from the list, below:

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

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

For Board to approve an extension to our current enhancement to our voluntary severance scheme.

Proposal: UHI Perth currently has an approved enhanced voluntary severance scheme which is in place until the 31 August 2025. However, we are aware that we are likely to need to make additional savings in the staffing budget over the next two years and voluntary severance is a recognised mitigation to compulsory redundancy. The Board has agreed that they will do everything they can to avoid compulsory redundancy.

This enhanced voluntary severance scheme will be available to all staff or targeted areas depending on the operational need at the time and each application will be considered on a case-by-case basis. Any requests from the Senior Leadership Team would be considered by remuneration committee.

It is proposed that this extension to our current enhanced voluntary severance scheme is on the terms set out below (there is no change to the proposed level of severance payment):

1. Severance payments are based on one month's pay for each completed year of service up to a maximum of 7 months' pay. This enhances the severance payment for all beyond that of statutory redundancy pay but notably to lower paid staff with less service. (This is the current level of payment).
2. There is no requirement for 2 years minimum service to be eligible for consideration.
3. Staff leaving may not return to be employed by UHI Perth for a period of 12 months
4. Pension strain costs continue not to be a factor when determining whether the required level of saving is made to allow an application to progress.
5. The recurring savings required to allow an application to be approved is 24 months from the date upon which employment ends.

UHI Perth is required to comply with the Public Sector Finance Manual therefore the following points are to note:

- Terms 3 – 5 are as set out in the Public Sector Finance Manual guidance on voluntary severance (clause 37.8 and 37.10).
- Consideration was given as to whether pension strain costs should be included in deciding whether an application should be included. There is an inherent risk in doing so as staff who are likely to attract pension strain are likely to be older and so this could be considered as age discrimination. The SLT have therefore decided that this is not a viable option for consideration as this could be discriminatory (clause 37.11) and there is no upper limit for compensation if such a claim were successful.

Risks arising: If this extension request is not approved, then after 31 July 2025 UHI Perth will not have a severance scheme in place. This would increase the risk of compulsory redundancy if staffing reductions were needed which the Board has agreed that they will do everything they can to avoid compulsory redundancy. In addition, our Trade Unions have advised that if UHI Perth looked to make compulsory redundancies then they would initiate strike action.

Legal advice: Advice has been sought on this proposal

Request for Board: To approve the request to extend the current enhanced voluntary severance scheme on the terms set out above and for the scheme to be available for UHI Perth to use from the 1 August 2025 until the 31 July 2027. If approved by the Board of Management this will then allow UHI Perth to continue to the next level of approval which is to our Regional Strategic Body and then to the Scottish Funding Council.

For Board to approve an extension to our current enhancement to our voluntary severance scheme.

Appendix 1 – Comparison with other Colleges

There is some variation within the sector in the terms seen under voluntary severance scheme. Some colleges have a higher (or lower) package, and this is widely agreed by the HR Directors group as necessary as lower packages are not enough incentive for staff to volunteer thereby making the requirement for compulsory redundancy more likely.

e.g.

Forth Valley College have a maximum of 6 months for 6 years' service

Dundee and Angus College have a maximum of 8 months for 8 years' service

Edinburgh use 1.5 month per year of service up to a maximum of 9 months' pay

NESCOL have a maximum of 9 months' pay

Glasgow Kelvin has a maximum of 9 months' pay

New College Lanarkshire have a maximum of 9 months' pay

Ayrshire College have a maximum of 12 months' pay

For Board to approve an extension to our current enhancement to our voluntary severance scheme.

Appendix 2: Extract from the Scottish Public Sector Finance Manual (SPFM)

The Public Sector Finance Manual is one of our reference points in relation to Voluntary Severance (as advised by the Scottish Funding Council). The relevant key points from this manual in relation to voluntary severance are.

- 37.1 the final decision as to whether to offer voluntary severance will rest with the Accountable Officer for the public body
- 37.2 Accountable Officers must ensure that where discretionary payments are used, they are necessary, justifiable and demonstrate value for money
- 37.3 Voluntary Severance can be used on an individual or on a scheme (multiple) basis
- 37.4 payment to individuals will be capped at £95,000
- 37.5 where an organisation considers that there are compelling reasons that the cap cannot be applied, a full business case must be submitted outlining the reasons for this.
- 37.6 Ministerial views must be obtained as and when appropriate, including in relation to any potentially high profile cases or where there is a strong, compelling business case that the cap cannot be applied.
- 37.7 Where appropriate, it is expected that notice should be worked and annual leave taken rather than a payment being made in lieu of notice or untaken annual leave.
- 37.8 a maximum payback period of 24 months will apply in all cases (i.e. the time taken to recover the compensation costs against normal salary costs). Where organisations' own compensation schemes have a payback period of less than 24 months, the lower period will apply.
- 37.9 the payback period will be applied at an individual rather than scheme level
- 37.10 an individual leaving as a result of voluntary severance may not return to employment within the same employer for a period of at least 12 months, including as a temporary agency worker or via a procurement route
- 37.11 Public Bodies are reminded of their duties under the 2010 Equalities Act to ensure that they are not being discriminatory in their implementation of the policy.

Committee Cover Sheet

Paper No. 9a

Name of Committee	Board of Management
Subject	Pension Strain Agreement
Date of Committee meeting	02/04/2025
Author	Katy Lees, Director of HR and Organisational Development
Date paper prepared	31/03/2025
Executive Summary Please provide a concise summary of the Paper outlining the purpose, impact and recommended future actions if approved	<p>Update to paper presented to Board on the 23 October 2024 where agreement in principle was given to the Chair of the Board to sign the Pension Strain Agreement between UHI Perth and Tayside Pension Fund (TPF)</p> <p>Due to the final figure now being known for the agreement as £790,075.45, this matter is being brought back to the Board due to the increase seen since October 2024 (noting the Principal corrected the incorrect figure in the paper in her introduction to the paper in the October Board meeting).</p> <p>Board is requested to agree the signing of an agreement with the Tayside Pension Fund to pay pension strain costs over a number of years. Board approval required due to the level of spend.</p> <p>An explanation of the reason for the change in figures is attached in the paper.</p>
Committee Consultation Please note which Committees this paper has previously been tabled at, and a brief summary of the outcomes/actions arising from this.	None, however an element of the original paper went to remuneration committee due to involving a member of the Senior Leadership Team, figures quoted through remuneration committee were correct excluding the pay award increase.
Action requested	<input type="checkbox"/> For information <input checked="" type="checkbox"/> For discussion

Committee Cover Sheet

	<input type="checkbox"/> For endorsement <input checked="" type="checkbox"/> For approval <input type="checkbox"/> Recommended with guidance (please provide further information, below)
Strategic Impact Please highlight how the paper links to the Strategic Objectives of UHI Perth or the UHI Partnership: Strategic-Plan-2022-27.pdf If there is no direct link to Strategic Objectives, please provide a justification for inclusion of this paper to the nominated Committee.	This will allow the repayment of the pension strain costs over a number of year, thereby reducing the deficit this financial year.
Resource implications Does this activity/proposal require the use of College resources to implement? If yes, please provide details.	Work has been undertaken by the Director of HR and Organisational Development since July 2023 to put this in place. The Director of Finance has been involved in this since August 2024. SLT approved this proposal and have been kept up to date.
Risk implications Does this activity/proposal come with any associated risk to UHI Perth, or mitigate against existing risk? If yes, please provide details.	No Click or tap here to enter text.
Equality & Diversity Does this activity/proposal require an Equality Impact Assessment? If yes, please provide details.	No
Data Protection Does this activity/proposal require a Data Protection Impact Assessment? If yes, please provide details.	No Click or tap here to enter text.
Island communities	No

Committee Cover Sheet

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)?	If yes, please give details: Click or tap here to enter text.
Status (ie confidential or non-confidential)	Non-Confidential If a paper needs to remain confidential for a prescribed period of time before being made 'open', please advise how long must the paper be withheld: Click or tap here to enter text.

Freedom of Information

Please note that **ALL** papers will be included within 'open' business unless a justifiable reason can be provided.

Please select a justification from the list, below:

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

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

and

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

Pension Strain Agreement with Tayside Pension Fund

When a member of staff is in the Tayside Pension Fund (TPF), (our pension provider for professional services and some management staff) and is approved for voluntary severance and they are over the age of 55 then there is an automatic release of their pension. In certain circumstances this will also apply for staff over the age of 50 who hold on significant length of membership in a Local Government Pension Scheme (called the rule of 85).

This release of pension has a cost to UHI Perth and is called Pension Strain (it is the assumed level of shortfall from the employer). This cost is paid by UHI Perth, we do not pass it onto the respective member of staff, and the member of staff does not see any benefit in their pension by us paying this.

In some cases, the level of pension strain can be significant and can require additional approvals to be in place from our Regional Strategic Body and the SFC to allow an individual member of staff to take voluntary severance, and this has been the case for 2 members of staff within the last year and the additional approval was given.

It is normally the case that this pension strain is paid the month after the member of staff leaves.

UHI Perth has been working since July 2023 with the Tayside Pension Fund (TPF) to put in place an agreement to pay the Pension Strain costs associated with voluntary severance applications over a longer period of time (up to 5 years). These 12 members of staff left UHI Perth between October 2023 and September 2024 (inclusive). The accurate pension strain cost is approximate strain cost is £681,045.07 with interest then accruing at the rate of 3.31% across the 5 year repayment period taking the total strain cost being deferred over 5 years to £790,075.45.

A draft agreement has been submitted to UHI Perth for review, and this is currently going through our legal advisors, however due to the level of cost this agreement required board approval and due to the change in figures, this matter is bring brought back to Board.

Request: The Board of Management are therefore requested to approve the Chair of the Board to sign the agreement once appropriate legal advice has been received and there are no concerns.

Items to note:

In the October 2024 Board meeting the estimated level of pension strain to be counted under this agreement was incorrectly quoted in the paper as approximately £470k. This was the level of pension strain seen up to May 2024 and covered 7 members of staff. An additional 5 members of staff were approved to go through VS and subsequently left UHI Perth in August and September and the TPF agreed to allow them to also progress under the same agreement. The College Principal did update the Board in the meeting as to the correct estimated figure of £670k as her introduction to the aforementioned paper.

There was no further communication on this agreement between UHI Perth and the TPF from August 2024, apart from chaser emails, until February 2025 due to accurate pension strain costs not being available from TPF.

Pay awards for September 2022, 2023 and 2024 were finally applied and confirmed in September 2024 and UHI Perth received recalculated and accurate pension strain costs from the TPF on the 6 February 2025 (updated figures being £681,045.07 and then UHI Perth was notified of the interest payable on the 21 February 2025).

Committee Cover Sheet

Paper No. 10

Name of Committee	Board of Management
Subject	Brahan Lift Works
Date of Committee meeting	02/04/2025
Author	APUC
Date paper prepared	26/03/2025
Executive Summary Please provide a concise summary of the Paper outlining the purpose, impact and recommended future actions if approved	<p>Board are requested to retrospectively approve repair works to the main lift in the Brahan Building.</p> <p>While funding for the works has been sourced from Scottish Funding Council, expenditure had been authorised via the PECOS financial system without required approval via Finance & Resources Committee per the F&R Terms of Reference, therefore approval is being requested via Board of Management.</p> <p>Board are advised that measures have been taken within APUC's procedures to ensure this oversight is not repeated.</p> <p>In order to provide sufficient detail for approval, Board are presented with the following documents:</p> <ul style="list-style-type: none">• Initial Contract Strategy• Original Purchase order for £74,737.22 + VAT• Deposit Invoice for £22,421.17 + VAT• Progress Invoice for £37,368.61 + VAT <p>Board are advised that works are yet to be completed, therefore final invoice is yet to be presented for payment.</p> <p>Board are further advised that, on advice of Internal Auditors, there is no requirement to report this oversight to any third party, however the matter will be investigated as part of an Internal Audit into Key Financial Controls scheduled to take place later in the Academic Year.</p>

Committee Cover Sheet

<p>Committee Consultation</p> <p>Please note which Committees this paper has previously been tabled at, and a brief summary of the outcomes/actions arising from this.</p>	<p>Matter was initially raised as concern at Finance & Resources Committee, 24 March 2025</p>
<p>Action requested</p>	<p> <input type="checkbox"/> For information <input checked="" type="checkbox"/> For discussion <input type="checkbox"/> For endorsement <input checked="" type="checkbox"/> For approval <input type="checkbox"/> Recommended with guidance (please provide further information, below) </p>
<p>Strategic Impact</p> <p>Please highlight how the paper links to the Strategic Objectives of UHI Perth or the UHI Partnership: Strategic-Plan-2022-27.pdf</p> <p>If there is no direct link to Strategic Objectives, please provide a justification for inclusion of this paper to the nominated Committee.</p>	<p>n/a</p>
<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 UHI Perth, 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>Equality & Diversity</p> <p>Does this activity/proposal require an Equality Impact Assessment?</p> <p>If yes, please provide details.</p>	<p>No</p>

Committee Cover Sheet

Data Protection Does this activity/proposal require a Data Protection Impact Assessment? If yes, please provide details.	No Click or tap here to enter text.
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)?	No If yes, please give details: Click or tap here to enter text.
Status (ie confidential or non-confidential)	Non-Confidential If a paper needs to remain confidential for a prescribed period of time before being made 'open', please advise how long must the paper be withheld: Click or tap here to enter text.

Freedom of Information

Please note that **ALL** papers will be included within 'open' business unless a justifiable reason can be provided.

Please select a justification from the list, below:

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

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



Contract Strategy

Agreement Title:
Lift Installation Services – Brahan Building

Reference: CS-PC-20033

Version Control

Version	Name	Date Completed	Comments
1.0	Tracy Robertson	November 2024	First draft

Approx. Value	Commodity/Service	Requestor
£70,000	Estates and Buildings/Other General Estates, Buildings and Facilities Management Supplies	Gavin Whigham

Summary

This contract strategy is for the installation of a new lift in the Brahan building.

Background to Strategy

This strategy is used in the planning stage of the procurement to determine how key issues will be addressed. It identifies and minimises risk and assists in ensuring all key factors have been considered when conducting the procurement leading to a fit for purpose and value for money positive outcome.

Current Status

The lift in our main Brahan building is currently out of order and has come to an end of life status. Our contracted supplier for lift service and maintenance (Kone plc) has advised that due to the age of the lift and the fact it was manufactured in Germany with Spanish parts, sourcing any replacement components is almost impossible. Therefore our Director of Estates has advised we now have no option other than to look to install a completely new lift.

Spend

Our current 4 year spend for lift maintenance and servicing is as follows:

Consult Lift Services (now t/a Kone plc)				
2020/21	2021/22	2022/23	2023/24	Total
£1,077.00	£11,306.45	£21,015.10	£4,414.17	£37,812.72

It should be noted that these figures reflect costs for the servicing and maintenance of all lifts on the college campus, not just the one in the Brahan building.

Scope

To remove the existing traction lift and supply, deliver & install new 4 stop single entrance car, 1000kg, 8 person, 1.0m/sec, traction MRL passenger lift.

Lift Specification

Lift Specification Rated Load: 1000kg
Lift suspension: 2:1
Speed: 1.0m/s
Stops: 4
Entrances served: 4
Shaft width mm: 2100
Shaft depth mm: 1800
Travel approx.: 10,200m
Pit depth mm: 1140mm
Clear headroom mm: 3700
Emergency 2-way communications
Standards: EN81-20, EN81-70, EN81-73, EN81-28

Any suppliers we approach for quotations, will also be asked to provide a schedule of works and warranty options.

Project Team and Roles

Name	Role	Sign Off Required
Tracy Robertson	Procurement Assistant	Yes
Gavin Whigham	Director of Estates	Yes
Gavin Stevenson	Director of Finance	Yes
Lynne Murray	Depute Principal, Operations	Yes
Margaret Cook	Principal and Chief Executive	Yes

Market Research

Procurement have researched routes to market and have approached our incumbent supplier (Kone plc) and asked them to provide a quotation for the required works.

We have also sourced the APUC framework agreement EFM1052 AP for Lift Installation and Maintenance. Lot 1 of this agreement covers Installation, with 6 suppliers appointed as follows:

Lot	Description	Appointed Contractors (Ranked)
1	Installation Services: All of Scotland	1. Stannah Lift Services Limited 2. Caltech Lifts Ltd 3. Scotec Lifts Limited 4. Classic Lifts (Scotland) Ltd 5. Orona Limited 6. ADL Lift Services Ltd

Suppliers are ranked based on the framework evaluation and technical/commercial scoring outcome. This agreement offers a direct award option, which would allow us to approach the top ranked supplier directly with our requirements to see if these can be fulfilled. It has been agreed with the Director of Estates that Procurement will make contact with Stannah Lift Services Ltd and offer a site visit to allow them to gain a better understanding of the works required before providing a quotation.

Benefits of Using the Framework Agreement

The above Framework Agreement offers the following benefits/added value:

- A pre-competed and compliant route to market providing a vehicle to centralise procurement spend.
- Mitigation of procurement risk surrounding EU Procurement.
- Reduction in administrative costs and efforts.

- Provides flexibility to institutions to determine specific requirements at Call-off Contract in line with the Framework Agreement specification.
- Ceiling rates/maximum pricing defined and agreed for the duration of the Framework Agreement.
- Effective reporting mechanism to obtain accurate, timely and relevant management information.
- Responsible procurement activity is embedded where relevant and appropriate.
- Pre-defined and agreed Terms and Conditions.
- Shared risk and management of contractors.
- A selection of high-quality providers of lift maintenance, installation, and refurbishment contractors.
- All contractors are members of LEIA (Lift and Escalator Industry Association).

Risk/Barriers Assessment

All procurements contain risks that may impact on their progress therefore it is important to identify and assess risks so that they can be managed to prevent it from becoming an issue.

Having no functional lift service in our main Brahan building, causes a number of issues, particularly around staff/students/visitors to campus who might have mobility issues.

We have a restaurant which is run by students, on the third floor which is open to the public and is used by a lot of senior citizens, providing a great opportunity to socialise with friends and enjoy great food at affordable prices. Again, this is currently not very easily accessible to them and requires climbing a large number of stairs should they still wish to use the facility.

Aside from the above, there have also been issues in relation to deliveries being made to different floors of the building, along with limited (easy) access to parts of the building for visitors of the most recent College Open Day.

It is therefore critical that we have a working and reliable lift service in what is classed as our main campus building.

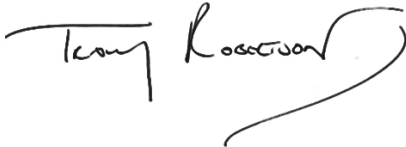

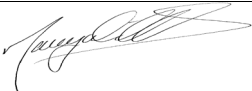
Procurement and Estates will work together closely along with the appointed supplier to ensure smooth implementation of the works and warrant that they are carried out in a timely manner with minimum impact to those working and visiting the building.

Contract Management

Local contract management will be undertaken by the UHI Perth Procurement Assistant. Should the contract be awarded by utilising the framework agreement, any contractor performance issues which cannot be managed or resolved locally, would be escalated to the APUC Supply Chain Manager, Louise MacFarlane.

Contract Strategy Approval and Sign-Off

By signing this contract strategy the institution and their representatives acknowledge the information provided.

Name of Approver	Signature of Approver	Date
Tracy Robertson, Procurement Assistant		15/11/24
Gavin Whigham, Director of Estates	G Whigham	18/11/24
Gavin Stevenson, Director of Finance	Approval by email.	20/11/24
Lynn Murray Depute Principal, Operations		15/11/24
Margaret Cook, Principal and Chief Executive		15/11/24
Finance Committee		
Board Approval		

PURCHASE ORDER: PE35326

* Confirming Order - Do Not Duplicate *

Buyer Perth College Crieff Road Perth, PH1 2NX	Order Date 25 Nov 2024	Invoice To UHI Perth - Finance Dept. (Purchasing.Perth@uhi.ac.uk) Braham Building Crieff Road Perth, PH1 2NX
Supplier Stannah Lift Services Ltd 45 Carlyle Avenue Hillington Industrial Estate Glasgow, G52 4XX	Order Contact Name: Patrycja Zak Phone: 01738877223 patrycja.zak@uhi.ac.uk	Delivery Estates UHI Perth - Property Dept Braham Building Crieff Road Perth, PH1 2NX

Delivery Information

Order Type:	Direct Ship
Carrier:	Not Selected -Not Selected
FOB - Delivery Terms:	Not Selected -Not Selected

Payment Information

Customer Number:	Perth College
Payment Terms:	Net 30

Line	Item Type	Item No	Manufacturer No	UOM	Pack Size	Qty	Unit Price	VAT Type	Extended Amt
	Description							Est VAT	
1	Non-Catalogue	N4351974		Each		1	£74,737.22	20	£74,737.22
	UHI Perth Lift Installation : Stannah Xtralift with 5-year contract Comprehensive) - Direct award via the APUC framework for Lift Installation and Maintenance EFM1052 AP							£14,947.44	

Total Extended Amount:	£74,737.22
Total Estimated VAT:	£14,947.44
Estimated Gross Amount:	£89,684.66

VAT Types

Key	Description	Estimated VAT
20	Standard Rate 20%	£14,947.44

All deliveries, delivery notes, invoices and correspondence must be identified with our Purchase Order Number.

The College's general conditions apply to all orders and are available at <https://www.perth.uhi.ac.uk> or upon request from Financial Services at the Invoice address.

Perth College is a Registered Charity (Charity No SC021209)

Vat Reg No. 761 6852 09

Deposit Invoice 1085733843

Invoice Address

UHI Perth Finance Department
Braham Building
Crieff Road
Perth
Perth and Kinross
PH1 2NX

Branch Address

Glasgow Service Branch
45 Carlyle Avenue
Hillington Industrial Estate
Glasgow
G52 4XX
Tel: 01418829946
V.A.T No: 236 7783 28

Site Address

Braham Building
Perth College
Crieff Road
Perth
PH1 2NX

Invoice Details

Invoice Date:	27-Nov-24
Due Date:	27-Dec-24
Invoice No:	1085733843
Job Number:	M4365465
Customer No:	856951
Type:	Repair
Customer PO Number:	PE35326

Category**Value**

30% deposit invoice

£22,421.17

Description:

Job As Per Sales Quote 618832-1 - Installation of MP Go Lift

Sub Total: £22,421.17

VAT (20% VAT): £4,484.23

Total: £26,905.40

E & O E

Registered Office: Watt Close, East Portway, Andover, Hampshire SP10 3SD, England Reg
No 1189799 (England) Unique Taxpayer's Reference 4098002550

Remittance Advice:

To be sent with cheque to the address below

Credit Control Department
Stannah Lift Services Limited
Watt Close
East Portway
Andover
Hampshire
SP10 3SD

Invoice Date:	27-Nov-24
Invoice No:	1085733843
Job Number:	M4365465
Customer No:	856951
Type:	Repair
Amount Due:	£26,905.40

You can pay your invoice in the following ways:

Debit and Credit Card

Visit the Stannah secure payment portal at <https://stannahpayments.keyivr.co.uk/>

Or call our secure automated payment line on 03300 082 116

Accepted Cards: Visa, MasterCard, Maestro, Solo, Electron.

Bank Transfer

Quoting your customer number as the 'reference' using the following Stannah bank account details:

Lloyds Bank, City Office, PO Box 72, Gillingham, ME8 0LS

Account Number: 16715668

Sort Code: 30-80-12

BIC/SWIFT: LOYDGB21F09

IBAN No: GB34LOYD30801216715668

You can e-mail your remittance advice to remittance@stannah.co.uk

Cheque

All cheques and postal orders should be made payable to "Stannah" and posted along with the tear off remittance advice to the address below:

Stannah Lift Services Ltd
Credit Control Department
Watt Close
East Portway
Andover
Hampshire
SP10 3SD

Progress Invoice 1085760863

Invoice Address

UHI Perth Finance Department
Brahan Building
Crieff Road
Perth
Perth and Kinross
PH1 2NX

Branch Address

Glasgow Service Branch
45 Carlyle Avenue
Hillington Industrial Estate
Glasgow
G52 4XX
Tel: 01418829946
V.A.T No: 236 7783 28

Site Address

Brahan Building
Perth College
Crieff Road
Perth
PH1 2NX

Invoice Details

Invoice Date: 25-Feb-25
Due Date: 27-Mar-25
Invoice No: 1085760863
Job Number: M4365465
Customer No: 856951
Type: Repair
Customer PO Number: PE35326

Category**Value**

50% progress invoice

£37,368.61

Description:

Job As Per Sales Quote 618832-1 - Installation of MP Go Lift

Sub Total: £37,368.61
VAT (20% VAT): £7,473.72
Total: £44,842.33

E & O E

Registered Office: Watt Close, East Portway, Andover, Hampshire SP10 3SD, England Reg
No 1189799 (England) Unique Taxpayer's Reference 4098002550

Remittance Advice:

To be sent with cheque to the address below

Credit Control Department
Stannah Lift Services Limited
Watt Close
East Portway
Andover
Hampshire
SP10 3SD

Application Date: 25-Feb-25
Application No: 1085760863
Job Number: M4365465
Customer No: 856951
Type: Repair
Amount Due: £44,842.33

You can pay your invoice in the following ways:

Debit and Credit Card

Visit the Stannah secure payment portal at <https://stannahpayments.keyivr.co.uk/>

Or call our secure automated payment line on 03300 082 116

Accepted Cards: Visa, MasterCard, Maestro, Solo, Electron.

Bank Transfer

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BIC/SWIFT: LOYDGB21F09

IBAN No: GB34LOYD30801216715668

You can e-mail your remittance advice to remittance@stannah.co.uk

Cheque

All cheques and postal orders should be made payable to "Stannah" and posted along with the tear off remittance advice to the address below:

Stannah Lift Services Ltd
Credit Control Department
Watt Close
East Portway
Andover
Hampshire
SP10 3SD

Committee	Board of Management
Subject	Audit Committee Annual Report to the Board of Management 2023-24
Date of Committee meeting	02/04/2025
Author	Audit Committee
Date paper prepared	14/03/2025
Executive summary of the paper	<p>In line with the College's Financial Memorandum, the Audit Committee is required to produce an annual report to the Board of Management.</p> <p>This report is presented to the Board of Management primarily to provide an assessment of the adequacy and effectiveness of the College's system of internal control.</p>
Consultation Please note which related parties, stakeholders and/or Committees have been consulted	This paper has previously been tabled at Audit Committee 26 March 2025 for endorsement and is presented to Board of Management on behalf of Audit Committee for final approval.
Action requested	<input type="checkbox"/> For information <input type="checkbox"/> For discussion <input type="checkbox"/> For endorsement <input checked="" type="checkbox"/> For approval
Resource implications Does this activity/proposal require the use of College resources to implement? If yes, please provide details.	Yes/ No

Perth College UHI

<p>Risk implications</p> <p>Does this activity/proposal come with any associated risk to the College, or mitigate against existing risk? (If yes, please provide details)</p>	<p>Yes/ No</p> <p>This is a requirement of governance within the Financial Memorandum.</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>Compliance</p> <p>Risk Management</p>
<p><u>Equality and diversity</u></p> <p>Does this activity/proposal require an Equality Impact Assessment? If yes, please give details:</p>	<p>Yes/ No</p>
<p><u>Data Protection</u></p> <p>Does this activity/proposal require a Data Protection Impact Assessment? If yes, please give details:</p>	<p>Yes/ No</p> <p>Click or tap here to enter text.</p>
<p>Island communities</p> <p>Does this activity/ proposal have an effect on an island community which is significantly different from its effect on other communities (including other island communities)?</p>	<p>Yes/ No</p> <p>If yes, please give details:</p> <p>Click or tap here to enter text.</p>

Perth College UHI

Status (e.g. confidential/non confidential)	Non Confidential
Freedom of information Can this paper be included in "open" business?*	Yes/ 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 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

Audit Committee Annual Report to the Board of Management - Session 2023/24

1 Introduction

The Scottish Funding Council's mandatory requirements require the Audit Committee to produce a report to the Board of Management primarily to provide an assessment of the adequacy and effectiveness of the College's system of internal control.

The Smith Guidance to Audit Committees also suggests that this annual report should focus on internal financial control and be provided to the Board, normally prior to the signing of the financial statements, and taking into account the Board's statement of responsibilities in particular.

This report covers the accounting period of 12 months to 31 July 2024.

The terms of reference of the Audit Committee are attached for information at **Appendix 1**. During the period under review the Committee met on 4 occasions: 05 October 2023, 07 December 2023, 19 March 2024 and 28 May 2024. Details of the membership of the Committee during this period are shown at **Appendix 2**.

2 Internal Audit

Henderson Loggie were re-appointed as the College's Internal Auditors in July 2016 for the period 1 August 2016 to 31 July 2020. An extension of this contract was implemented in March 2020 to enable completion of internal audits for the period to July 2021. This extension was implemented as a COVID related tender exemption.

A subsequent tender process was implemented for the 3-year period to July 2024, whereupon Henderson Loggie were reappointed as the College's Internal Auditors. An extension clause for this contract was approved by Audit Committee on 19 March 2024 to allow Henderson Loggie to act as the College's Internal Auditor until July 2026.

A comprehensive Audit Needs Assessment (ANA) and three-year Strategic Audit Plan was presented to, discussed with and approved by, Audit Committee at the meeting held on 16 March 2022 based on consideration of areas of higher risk and need from a review of the College's Strategic Risk Register, and a review of previous internal audit coverage.

The agreed plan focused on the key strategic risks of reputation, student experience, staffing, Estates & Facilities, Finance, Commercial, Organisation and Information & IT, alongside required annual audits and follow-up reviews. It was agreed that the number of Internal Audit days be increased to better reflect current risk, with annual review of prioritisation, and would total 122 days over the 3-year period of the Plan, with 38 Audit days assigned to 2023/24.

The Annual Report of the Internal Auditors for 2023/24 was considered by the Audit Committee at its meeting on 11 December 2024. In the 2023/24 Annual Report, Henderson Loggie state that:

“In our opinion, with the exception of the follow up issues* ... the College has adequate and effective arrangements for risk management, control and governance. Proper arrangements are in place to promote and secure Value for Money. This opinion has been arrived at taking into consideration the work we have undertaken during 2023/24 and in previous years since our initial appointment.”

*[Henderson Loggie] found that the College had made limited progress in implementing the internal audit recommendations followed-up as part of 2023/24 Follow Up reviews. Only six of the 34 recommendations followed-up were assessed as ‘fully implemented’. Two recommendations were considered but not implemented, with 15 recommendations classified as ‘partially implemented’ and 11 categorised as showing ‘little or no progress’.

In Section 2 of the Annual Report prepared by Henderson Loggie a summary of the results and conclusions relating to the audit work carried out by them in the following areas is given. Recommendations were made by Henderson Loggie in each of the internal audit reports, as follows:

Number	Title	Overall Grade	Recommendations	Priority 1	Priority 2	Priority 3
2024/01	Internal Audit Annual Plan 2023/24	N/A	-	-	-	-
2024/02	2022/23 Student Activity Data	Audit opinion unqualified	3	-	-	3
2024/03	2022/23 Student Support Funds	Audit opinion unqualified	2	-	1	1
2024/04	Risk Management	Good	2	-	-	2
2024/05	Health, Safety and Wellbeing	Satisfactory	3	-	2	1
2024/06	Cyber Security	Satisfactory	1	-	-	1
2024/07	ICT and Digital Transformation Strategy Implementation	Satisfactory	-	-	-	-
2024/08	Fraud Prevention, Detection and Response	Satisfactory	5	-	1	4
2024/09	Follow-Up Reviews	N/A	29 of 34 recommendations	-	9	20

			required further action			
--	--	--	----------------------------	--	--	--

Recommendation grades are defined as follows:

Priority 1 – Issues subjecting the College to material risk and which requires to be brought to the attention of management and the Audit Committee.

Priority 2 – Issues subjecting the College to significant risk and which should be addressed by management.

Priority 3 – Matters subjecting the College to minor risk or which, if addressed, will enhance efficiency and effectiveness.

The Internal Audit Reports referred to above were reviewed in detail by the Audit Committee and accepted.

3 External Audit

Deloitte was appointed by Audit Scotland as the College's external auditors from Academic Year 2023.

The external audit of the Annual report and financial statements for the year to 31 July 2023 (2022/23) was subject to significant delays, resulting in approval during 2024/25 and deadlines for submission to OSCR being missed. Performance improved for the 2023/24 audit following a change of partner and increased resources.

Deloitte is proposing to charge additional fees for 2022/23 and 2023/24 external audits, which have been discussed with Audit Scotland but still have to be discussed with management at UHI Perth.

The draft Report and Financial Statements including accounting policies, disclosures and the external auditor's opinion for the year ended 31 July 2024 were reviewed by the Board of Management at an Extraordinary Meeting of the Board on 06 March 2025 as well as a draft report from the external auditors.

The Corporate Governance statement included in the audited Financial Statements for the year ended 31 July 2024 was reviewed along with the Financial Statements.

4 Effectiveness of the Audit Committee

A 'Review of Meeting' item at the end of every agenda was conducted by the Audit Committee throughout 2023/24. This was to enable members the opportunity to reflect on and discuss the effectiveness of the meeting. No concerns about the conduct of the meetings have been raised.

5 Value for Money

The College continues to work closely with Government forums and Advanced Procurement for Universities and Colleges (APUC) and follows the guidelines that have been developed to support the sector in line with best practice.

In response to a recognition of the need to improve procurements procedures, in November 2018 the College has contracted APUC to provide direct support in the development of more robust systems and processes. Since July 2019 APUC staff have been contracted to work directly for the College.

6 Review of the Effectiveness of Internal Control and Risk Management

The Committee undertook a formal review of the effectiveness of internal control and risk management in November 2016. This report is based on guidance produced by the Turnbull Committee and invites the Board to confirm that:

- It is satisfied with the scope, frequency and quality of the reports received during the year.
- It is satisfied with the College's ability to respond to changes in the operating environment.
- It is satisfied with the scope and quality of senior level involvement in monitoring risks.
- It is satisfied with the extent and frequency of reports to the Board.
- It agrees that there had been no significant control failings or weaknesses identified during the year.
- It is satisfied with its public reporting processes.

It is recommended that an informal review of effectiveness is undertaken on an annual basis. During the financial year 2023/24, Audit Committee reviewed the Internal Audit plan and took the decision to prioritise Audit days towards Risk Management, Cyber Security, Digital Transformation, Fraud Prevention and Health & Safety, as these were felt to be higher current risk issues for the College.

7 Other Matters

The Board undertook an External Effectiveness Review, as required under the Code of Good Governance for Scotland's Colleges during 2024. The Review report was tabled at the Board meeting of 23 October 2024 and an action plan to adopt these recommendations was presented to the Board.

The College's Scheme of Delegation was reviewed during 2024, including the membership, Terms of Reference and meeting quorums. The Terms of Reference for each Board Committee have been updated to reflect recent role changes and the addition of nominated Trade Union Board Members to some committees.

Audit Committee reviewed the College's Code of Good Governance Compliance Checklist at its meeting on 09 October 2024, to provide comfort to Audit Committee that the College maintains its required levels of compliance.

8 Opinion and Conclusion

It is the opinion of the internal auditors Henderson Loggie CA, and accepted and endorsed by the Audit Committee, that with the exception of the issue noted in Section 2 of this Report in relation to follow-up, the College operates adequate and effective arrangements for risk management, internal control and governance, as defined in the audit needs assessment, and that proper arrangements are in place to promote and secure value for money.

It is the opinion of the external auditors, Deloitte, and endorsed by the Audit Committee that the financial statements give a true and fair view and are properly prepared in accordance with the Further and Higher Education (Scotland) Act 1992 and the Accounts Direction made thereunder.

It is the opinion of the Committee that the Board of Management's responsibilities as described in the Responsibilities of the Board of Management Statement included in the financial statements for the year to 31 July 2024 have been satisfactorily discharged.

It is also the opinion of the Committee that compliance with the SFC audit requirements as incorporated in Financial Memorandum have been ensured, whilst noting the Disclosures detailed within Appendix 4 of the External Audit Report.

Perth College UHI Audit Committee, 26 March 2025

AUDIT COMMITTEE

Membership

No fewer than 3 members of the Board of Management.

One place reserved by invitation for a Student Member of the Board, as nominated by HISA Perth.

One place reserved by invitation for a Staff Member of the Board, to be determined by Staff Members of the Board

- Board members not eligible for appointment are the Chair of the Board, the Principal, the Chair of the Finance & Resources Committee, the Staff Board Member nominated to Finance & Resources Committee, and the Student Board Member nominated by HISA Perth to Finance & Resources Committee.
- No member of the Finance and Resources Committee shall also be a member of the Audit Committee.
- The Chair of the Board, the Principal and the Chair of the Finance and Resources Committee shall be invited to attend meetings.
- The Committee may sit privately without any non-members present for all or part of a meeting if they so decide.
- The College Executive will attend meetings at the invitation of the Committee Chair and provide information for Agenda items

In attendance

Depute Principal (Academic)

Depute Principal (Operations)

Other appropriate staff members of the College by invitation

Representatives of Internal and External Auditors of the College by invitation

Quorum

The Quorum shall be 3 members.

Frequency of Meetings

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

Objectives

The Audit Committee's main responsibilities include advising the Board on whether:

- There are systems in place to ensure that the College's activities are managed in accordance with legislation and regulations governing the sector.
- A system of governance, internal control and risk management has been established and is being maintained, which provides reasonable assurance of effective and efficient operations and produces reliable financial information.

- There are systems in place to ensure the Committee engages with financial reporting issues

Terms of Reference

Internal Control

1. Reviewing and advising the Board of Management of the internal and the external auditor's assessment of the effectiveness of the college's financial and other internal control systems, including controls specifically to prevent or detect fraud or other irregularities as well as those for securing economy, efficiency and effectiveness; and
2. Reviewing and advising the Board of Management on its compliance with corporate governance requirements and good practice guidance including a strategic overview of risk management.
3. Strategic oversight of Health and Safety, Freedom of Information and Data Protection on behalf of the Board.

Internal Audit

1. Advising the Board of Management on the selection, appointment or reappointment and remuneration, or removal of the internal audit provider.
2. Advising the Board of Management on the terms of reference for the internal audit service.
3. Reviewing the scope, efficiency and effectiveness of the work of internal audit, considering the adequacy of the resourcing of internal audit and advising the Board of Management on these matters.
4. Advising the Board of Management of the Audit Committee's approval of the basis for and the results of the internal audit needs assessment and the strategic and operational planning processes.
5. Approving the criteria for grading recommendations in assignment reports as proposed by the internal auditors.
6. Reviewing the internal auditor's monitoring of management action on the implementation of agreed recommendations reported in internal audit assignment reports and internal audit annual reports.
7. Considering salient issues arising from internal audit assignment reports, progress reports, annual reports and management's response thereto and informing the Board of Management thereof.
8. Informing the Board of Management of the Audit Committee's approval of the internal auditor's annual report.
9. Ensuring establishment of appropriate performance measures and indicators to monitor the effectiveness of the internal audit service.

10. Securing and monitoring appropriate liaison and co-ordination between internal and external audit.
11. Ensuring good communication between the Committee and the internal auditors.
12. Responding appropriately to notification of fraud or other improprieties received from the internal auditors or other persons.
13. Reviewing the Risk Management Register.

External Audit

The appointment of external auditors to the College is directed by Audit Scotland.

1. Considering the college's annual financial statements and the external auditor's report prior to submission to the Board of Management by the Finance Committee. Care should be taken, however, to avoid undertaking work that properly belongs to the Finance and General Purposes Committee. If within its terms of reference, the Committee should consider the external audit opinion, the Statement of Members' Responsibilities and any relevant issue raised in the external auditor's management letter.
2. Reviewing the external auditor's annual Management Letter and monitoring management action on the implementation of the agreed recommendations contained therein.
3. Advising the Board of Management of salient issues arising from the external auditor's management letter and any other external audit reports, and of management's response thereto.
4. Reviewing the statement of corporate governance.
5. Establishing appropriate performance measures and indicators to monitor the effectiveness of the external audit provision.
6. Reviewing the external audit strategy and plan.
7. Holding discussions with external auditors and ensuring their attendance at Audit Committee and Board of Management meetings as required.
8. Considering the objectives and scope of any non-statutory audit work undertaken or to be undertaken, by the external auditor's firm and advising the Board of Management of any potential conflict of interest.
9. Securing appropriate liaison and co-ordination between external and internal audit.

Value for Money

1. Establishing and overseeing a review process for evaluating the effectiveness of the college's arrangements for securing the economical, efficient and effective

management of the college's resources and the promotion of best practice and protocols, and reporting to the Board of Management thereon.

2. Advising the Board of Management on potential topics for inclusion in a programme of value for money reviews and providing a view on the party most appropriate to undertake individual assignments considering the required expertise and experience.
3. Advising the Board of Management of action that it may wish to consider in the light of national value for money studies in the further education sector.

Advice to the Board of Management

1. Reviewing the college's compliance with the Code of Audit Practice and advising the Board of Management on this.
2. Producing an annual report for the Board of Management.
3. Advising the Board of Management of significant, relevant reports from the Scottish Funding Council and National Audit Office and successor bodies and, where appropriate, management's response thereto.
4. Reviewing reported cases of impropriety to establish whether they have been appropriately handled.

Appendix 2 - Membership of the Audit Committee during the period 1 August 2023 – 31 July 2024

Jim Crooks (Chair – resigned 06 June 2024)

Derek Waugh (Vice Chair)

Debbie McIlwraith Cameron

Ian Robotham (from 28 May 2024)

Alistair Wylie

Patrick O'Donnell

Fiona Smith (resigned 30 June 2023)

PERTH COLLEGE

Audit Committee

Annual Assessment of Effectiveness of Internal Control

1 Introduction

The Board of Management is required to make a statement on corporate governance in the annual accounts, in accordance with the UK Corporate Governance Code issued by the Financial Reporting Council in September 2012. To support its statement on corporate governance, the Board should undertake an annual assessment of the effectiveness of internal control systems and risk management.

2 Review of Reports Received During the Year

During 2023/24, the Audit Committee received the following internal audit reports from Henderson Loggie:

Procurement, Creditors & Purchasing
Data Protection
Business Continuity
Performance Management & KPIs
Space Management & Room Utilisation
Student Activity Data
Student Support Funds
Health, Safety & Wellbeing
Risk Management
Follow-Up Reviews

All recommendations therein and the College response to them are noted. The College's actions in response to previous Internal Audit report recommendations are monitored by the Audit Committee.

During 2023/24, the Finance and Resources Committee and the Board received quarterly reports on income and expenditure, excepting for a period when resources in the Finance Team were constrained.

The Board is invited to confirm that it is satisfied with the scope, frequency and quality of the reports received during the year, as set out above.

3 Changes During the Year

Changes and developments in the external operating environment which were substantive agenda items at the Committee meetings in 2023/24 are listed as follows:

1. Flat-cash Government Funding: Continued limitations in funding for the College sector means funding has not increased for several years, which effectively means a real term reduction in funding. There is continued financial pressure on Scottish Government (SG), other funding that was previously available has been withdrawn eg Flexible Workforce Development Fund, and the majority of colleges in Scotland are currently undergoing the implementation of savings proposals.
2. Reduction in FE Credits and HE full time equivalent numbers: During 2023/24, the number of FE credits were reduced nationally by 10%. The Scottish Funding Council (SFC) indicated in March 2024 that Colleges will require to deliver the same credit values with less funding. Based on the last two financial years, the level of clawback for UHI Perth was approximately £1m each year.
3. National Pay Bargaining: While academic staff roles have been agreed nationally, the professional services job evaluation exercise remains ongoing and will continue into at least 2024/25. This is a significant risk for the college sector due to the loss of direct control over staffing costs, a major element of the College cost base.
4. Increasing costs: Staff costs and costs for goods, services, energy costs, investment in ICT and estates maintenance and repairs are all increasing due to inflation. Staff costs account for over 80% of the funding received, and there will be no additional Government funding for these costs.
5. Increased Pension Contribution: Teacher's pension (SPPA) contributions increased from 23% to 26.1%.
6. UHI 2030 Strategy: A Business Case is currently being developed across the UHI Partnership to enable funding for significant restructuring, however it is as yet unclear what this will mean for UHI Perth and the other academic partners.
7. Top-Slice Levy: There is continuing impact on the proportion of levy placed on partner colleges by UHI Executive Office; UHI Perth pay ~£4.7m but this is not considered value for money as it remains unclear how the money is spent and there is duplication between some services at Executive Office and UHI Perth.
8. Implications of UK visas and immigration policy (UKVI)/UKVI changes and the UHI international recruitment process: There is increasing competition to attract international students on campus, which impacts on our income. Factors such as foreign currency collapses abroad can have a huge impact on the number of students coming to the UK and to Perth as well as turnaround times for applications and restrictions on higher risk countries. As a result, our international partnerships have focused on delivering UHI qualifications in overseas markets, a potential area of growth where investment would enable us to generate more of this activity.

The Board is invited to confirm that it is satisfied with the College's ability to respond to changes in the operating environment.

4 Scope and Quality of Risk Monitoring

Following a review of monitoring and insight, Audit Committee approved the establishment of an Enterprise Risk Management model for the College, linked to Strategic Key Performance Indicators. The Risk Register continued to be reviewed quarterly by Audit Committee on an interim basis to ensure continuity while the ERM was fully populated. Continuing and emerging risks were recognised in the annual report as:

HE student numbers; a “flat cash” funding outlook; National Pay Bargaining outcomes; Job Evaluation; Inflation, especially with respect to the cost of energy; and continuation of the top slice payment to the University (UHI) of c£4.7m for HE students, as it is recognised that this does not represent value for money for UHI Perth.

The Board is invited to confirm that it is satisfied with the scope and quality of management's monitoring of risks.

5 Communication to the Board and its Committees

Board Responsibility:

‘The Board should consider the extent and frequency of the communication of the results of monitoring to the Board and its Committees, which enables it to build up a cumulative assessment of the state of control in the College and the effectiveness with which risk is being managed’. (Turnbull Guidance)

Response

The system of reporting to the Board is covered in the draft Statement of Corporate Governance.

Henderson Loggie were re-appointed as the College's Internal Auditors in July 2016 for the period 1 August 2016 to 31 July 2020. An extension of this contract was implemented in March 2020 to enable completion of internal audits for the period to July 2021. This extension was implemented as a COVID related tender exemption. A subsequent tender process was implemented for the 3-year period to July 2024, whereupon Henderson Loggie were reappointed as the College's Internal Auditors. This period was subsequently extended to July 2026.

Audit Committee receives regular progress reports against the Internal Audit Action Plan at each scheduled meeting,

The Board is invited to confirm that it is satisfied with the extent and frequency of reports to the Board.

6 Control Failings or Deficiencies

During the year ending 31 July 2024, the following control weakness was identified as requiring action:

Area	Issue	Action
Authorisation of Journal Entries	<p>Journal entries are not approved before being posted into the general ledger, thereby increasing the risk of fraudulent postings being made.</p> <p>External Auditor recommends that a process of journal authorisation be put in place. All journal entries should be authorised by someone other than the one preparing the posting after reviewing any supporting documentation to assess the accuracy and appropriateness of the posting. Evidence of preparation and authorisation should be documented against the journal.</p>	<p>Recommendation is accepted subject to an acceptable value of journal authorisation being agreed with Deloitte.</p> <p>Director of Finance to ensure completion by 30 April 2025.</p>
No documentation of review of Management Accounts	<p>Management accounts are prepared and reviewed on a quarterly basis before being presented to the board. There is no documentation kept to evidence this review taking place prior to presentation to board.</p> <p>External Auditor recommends that minutes are taken, documenting issues raised during the review of the quarterly management accounts.</p>	<p>Recommendation accepted.</p> <p>Director of Finance to ensure completion by 31 March 2025.</p>
Search for unrecorded liabilities	<p>Lack of effective review of post year end invoices received and payments made in the search for liabilities that existed at year end that should have been accrued for.</p> <p>External Auditor recommends that a process is put in place that documents the review of post year end invoices received and payments made in the search for unrecorded liabilities</p>	<p>Recommendation accepted.</p> <p>Director of Finance to ensure completion in preparing the financial statements from 2024/25 on.</p>
Closed Bank Accounts with GL Codes	<p>General Ledger codes are still open and have balances attached to them for bank accounts that have now been closed.</p> <p>External Auditor recommends the GL codes are updated so that only active bank accounts are included within the accounts, allowing for more accurate balances to be displayed and reconciliations to be performed.</p>	<p>Recommendation accepted.</p> <p>Director of Finance to ensure completion by 31 March 2025.</p>
Review of bad debt provision	<p>Duplicate items and items included in error within the bad debt provision as at 31 July 2024. This indicates a lack of review of the provision at year end.</p> <p>External Auditor recommends that management perform a detailed review of their bad debt provision at year end to ensure the amounts being provided for are correct.</p>	<p>Recommendation accepted.</p> <p>Director of Finance to ensure completion in preparing the financial statements from 2024/25 on.</p>

Review of Remuneration Report	<p>Our testing of the Remuneration Report identified a number of disclosure adjustments, highlighting a lack of effective review of the report by management.</p> <p>External auditor recommends that management perform a detailed review of the Remuneration Report, including confirming that the disclosures within the draft financial statements meet the requirements set out within the Financial Reporting Manual (FreM).</p>	<p>Recommendation accepted.</p> <p>Director of Finance to carry out a detailed review on the 2024/25 financial statements and subsequent years in accordance with FReM requirements.</p>
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7 Effectiveness of Public Reporting Procedures

- The College is committed to the principles of openness and accountability in all its activities. In response to our obligations under the Freedom of Information Act (Scotland) 2002, the College has adopted and will maintain the Model Publication Scheme for Scotland's Colleges.
- The Board is updated annually on the requests for information received under the Freedom of Information Act (Scotland) 2002 and Data Protection requests.
- The College completes and lodges a number of statutory returns to demonstrate appropriate use of public funds.
- Information about the Board and its members is available on the website, including the Register of Interests.
- Board of Management minutes and papers are published on the website.
- The College Annual Accounts are published on the website. The Annual Accounts for Air Service Training (Engineering) Limited are lodged with Companies House.
- The Annual Report is published on the website. A hard copy is available to anyone who makes a request.

The Board is invited to confirm that it is satisfied with its public reporting processes

Committee Cover Sheet

Paper No. 17

Name of Committee	Board of Management
Subject	UHI Perth - China Visit
Date of Committee meeting	16/04/2025
Author	Margaret Cook, Principal
Date paper prepared	11/04/2025
Executive Summary Please provide a concise summary of the Paper outlining the purpose, impact and recommended future actions if approved	<p>This paper provides contextual and financial information to allow approval of a business trip to China for 4 UHI Perth staff to conduct contractual duties related to Graduation Ceremonies, and to conduct additional business develop meetings while in China.</p> <p>Board is requested to note that contracts exists around attendance at Graduation Ceremonies for each of our International Partners.</p>
Committee Consultation Please note which Committees this paper has previously been tabled at, and a brief summary of the outcomes/actions arising from this.	The issue had been discussed at Chairs Committee and additional information requested, as presented within this paper
Action requested	<input checked="" type="checkbox"/> For information <input type="checkbox"/> For discussion <input type="checkbox"/> For endorsement <input checked="" type="checkbox"/> For approval <input type="checkbox"/> Recommended with guidance (please provide further information, below)
Strategic Impact Please highlight how the paper links to the Strategic Objectives of UHI Perth or the UHI Partnership: Strategic-Plan-2022-27.pdf	n/a

Committee Cover Sheet

<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>Yes – Approx. £8k of expenditure</p>
<p>Risk implications</p> <p>Does this activity/proposal come with any associated risk to UHI Perth, or mitigate against existing risk?</p> <p>If yes, please provide details.</p>	<p>Yes – other Education Institutions have received negative press around international trips within last few months, so some potential risk to reputation</p> <p>Click or tap here to enter text.</p>
<p>Equality & Diversity</p> <p>Does this activity/proposal require an Equality Impact Assessment?</p> <p>If yes, please provide details.</p>	<p>n/a</p>
<p>Data Protection</p> <p>Does this activity/proposal require a Data Protection Impact Assessment?</p> <p>If yes, please provide details.</p>	<p>n/a</p> <p>Click or tap here to enter text.</p>
<p>Island communities</p> <p>Does this activity/proposal have an effect on an island community which is significantly different from its effect on other communities (including other island communities)?</p>	<p>n/a</p> <p>If yes, please give details:</p> <p>Click or tap here to enter text.</p>
<p>Status</p> <p>(ie confidential or non-confidential)</p>	<p>Non-Confidential</p> <p>If a paper needs to remain confidential for a prescribed period of time before being made 'open', please advise how long must the paper be withheld:</p> <p>Click or tap here to enter text.</p>

Committee Cover Sheet**Freedom of Information**

Please note that **ALL** papers will be included within 'open' business unless a justifiable reason can be provided.

Please select a justification from the list, below:

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

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

Committee Cover Sheet

Background

At the Chairs Committee meeting of 28 November 2024, an Operational Update was provided to Committee. Committee requested that Board to receive breakdown of costs associated with International Travel and the Return on Investment received/anticipated from these trips.

On 01 April 2025, Chairs Committee was provided with a business rationale and financial justification for a planned business trip to China for graduation, business development and some academic work, scheduled for 7th-15th May 2025 which encapsulated most of the initial request.

Given all the sensitivities around cost/budgeting, it was deemed prudent for such operational costs to be approved via Chairs Committee; however, the Chairs Committee meeting planned for 15th April 2025 has been postponed and it was therefore felt relevant to escalate this paper to Board. Please note this paper includes some minor clarifications provided to Chairs Committee by request, and correction of an incorrect final surplus caused by a transposition of figures.

Committee Cover Sheet

Graduation Trip to China

1. Business Case Rationale

The proposed trip to China aims to deliver both immediate financial returns and long-term strategic benefits. The visit serves three critical purposes: fulfilling our contractual obligation to host graduation ceremonies for over 360 TNE students, protecting our existing £847,600 annual revenue stream from Chinese partnerships, and securing an additional £80,000 through direct student recruitment. Furthermore, the trip will lay the groundwork for developing a new TNE program with Zhengzhou University of Aeronautics (ZUA), potentially generating £200,000+ in future annual income.

Key to this year's planning is our commitment to financial responsibility. We have significantly reduced costs by shortening the trip duration while maintaining all essential activities. The Principal's participation has been carefully optimized from the traditional 14 days to just 8 days, demonstrating our balanced approach to maintaining strong partnerships while exercising fiscal prudence. Importantly, these graduation visits have been a budgeted annual operational expense for eight consecutive years, reflecting their established role in our institutional operations. The itinerary itself is planned to minimise the cost of travel between institutions.

The total investment of £6,000-£8,000 (covering four essential staff members) stands against an immediate anticipated return of £80,000, representing an exceptional 13:1 return on investment. This calculation also does not account for the protection of our existing £847,600 revenue stream or the potential future income from new program development.

2. Objectives and Expected Outcomes

Our Chinese partnerships represent one of our most successful and longest-standing international collaborations (partnership with HIE started in 2011), now entering their twelfth consecutive year. The table below outlines the specific objectives and their corresponding financial impacts:

Objective	Expected Outcome	Financial Impact
Host graduation ceremonies (contractual obligation)	Ensures compliance with partner agreements and maintains student satisfaction	Safeguards £847,600 in existing annual revenue
Conduct recruitment activities for Y4 top-up students	Direct engagement with prospective students and partner staff	£80,000 in new tuition fee income for September 2025 intake
Develop new TNE programme at ZUA	Establish curriculum framework and partnership agreements	Potential £200,000+ in future annual revenue

Committee Cover Sheet

Objective	Expected Outcome	Financial Impact
Support HMEP's government approval process	Facilitate submission of new TNE programme for approval	Enables long-term revenue growth with potential £160,000 income from 2026

3. Financial Justification

Existing Revenue Streams

The table below demonstrates the substantial existing income from our Chinese partnerships that this visit helps protect:

Institution	Annual Income (2024/25)
Hunan Institute of Engineering (HIE)	£452,000
Zhengzhou University of Aeronautics (ZUA)	£215,600
Henan University of Urban Construction (HUUC)	£180,000
Total Protected Income	£847,600

Direct Expenditure:

Apportioned academic costs*	£225,392
International Team costs**	£93,640
Ceremonial costs***	£8,000

Total Costs: £327,032

Total Projected Surplus: £520,568

* includes staff costs around local delivery, materials and assessment

** includes overheads, travel, accommodation & subsistence relating to Business Development and ongoing client relations. The International Team are engaged in regular visits to overseas clients both in terms of managing ongoing client relations and new business development, and these costs are included above.

***Ceremonial arrangements include attendance at 3 separate graduation events in 3 different locations, with approximately 1,500km of in-country travel required by 4 inter-city trains, plus a Business Development meeting. All travel undertaken is Economy Class.

The £6,000-£8,000 trip cost represents just 0.7% of this protected revenue stream, and as noted previously, has been part of our annual budgeting process for eight years.

Committee Cover Sheet

Cost Efficiency Measures

This year's visit incorporates several important cost-saving measures while maintaining all essential activities:

- Reduced duration: Principal's participation cut from 14 to 8 days (43% reduction)
- Focused agenda: Maximizing impact per day through careful scheduling
- Budget adherence: All costs align with historical graduation trip expenditures

Return on Investment Analysis

The following breakdown illustrates the compelling financial case for this investment:

Investment	Return	Ratio
£6,000 (trip cost)	£80,000 (direct recruitment income)	13:1
	£847,600 (protected existing income)	Essential safeguard
	£360k+ (future ZUA and HMEP programme potential)	Strategic growth

4. Alternative Options Considered

We thoroughly evaluated alternative approaches before concluding that this in-person visit remains essential:

- Virtual engagement was rejected as graduation ceremonies require physical presence per our contracts, and virtual recruitment lacks the impact of face-to-face interaction.
- Reducing staff numbers would compromise our ability to conduct quality assurance, program reviews, and partnership negotiations simultaneously.
- Postponement would damage our hard-earned reputation and potentially cede ground to competitor institutions.

5. Recommendation

The decision to send four key staff members has been carefully considered to ensure we meet all operational, academic, and strategic objectives while maintaining cost efficiency. Each team member fulfils distinct and essential roles that cannot be effectively combined or reduced without compromising outcomes:

1. Principal: As our institutional leader, the Principal's presence demonstrates our highest-level commitment to partners and students. Senior leadership's participation is mandatory for graduation ceremonies (contractual requirement) and crucial for high-level partnership discussions. Reducing this presence would significantly diminish the perceived value we place on these relationships.

Committee Cover Sheet

2. International Director: This role is essential for conducting detailed partnership negotiations, fee discussions, and operational planning. The expertise ensures we maintain financial viability in our agreements while exploring new opportunities.
3. Two senior staff from academic team: These positions handle the critical quality assurance and program development work. With three graduation ceremonies and multiple program reviews scheduled, having two specialists ensures we maintain our academic standards while efficiently covering all required engagements for future business.

This carefully optimized China visit represents an outstanding value proposition for the institution:

- Cost-effective implementation with 43% reduction in Principal's time commitment
- Exceptional ROI of 13:1 on direct recruitment returns
- Budget alignment as a long-established operational expense
- Revenue protection for our £847,600 Chinese partnership income and the significant surplus from this work
- Strategic growth through new program development opportunities

Based on this comprehensive analysis, I strongly recommend approving the trip to maintain our market position, fulfil contractual obligations, and pursue valuable growth opportunities in this vital international market.

Board of Management – Standing Committee Summary

Paper No: 15a

<p>Name of Committee: Chairs</p>	<p>Date of Committee: 11 February 2025</p>
<p>Key Issues discussed:</p> <p><u>Recovery Plan/Financial Update</u> Principal provided an update on progress on the Recovery Plan, noting that an Extraordinary meeting of the Board had been booked in for 6th March 2025. Current aim was to reach a balanced budget position by July 2027.</p> <p>A list of EO activities per “programme” had now been received. This was a long but limited document, based on an EO perspective, and there was no cognisance around inter-college activity. Report not yet able to be shared and more meetings are planned to take the issue forward.</p> <p>Committee discussed the potential impacts in terms of balancing what can be provided to UHI or transferred to them, but there may have to be some challenge to assumptions against the Recovery Plan arising from list.</p> <p>Chair referred to letter received from UHI re AST management fees which hadn’t been helpful as this passed the matter back in full to UHI Perth. Further assessment of implications required.</p> <p><u>UHI Outline Business Case</u> Chair noted the note recently issued by UHI Principal re the work of Transitions Oversight Board. Focus now seems to be moving to organisational structures, which causes concern as the economic and financial cases do not yet seem to have been made.</p> <p>Concern had been expressed to Principal at the lack of staff engagement, which hasn’t been consistent across the partnership.</p>	<p>Actions agreed:</p> <p>Principal to incorporate a strategy for AST into the Recovery Plan</p>

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<p>Some all-staff meetings were planned for next week across all APs – these would take place during office hours which would result in diary clashes for some teaching staff. Evening meetings were not suitable as these would be out-with working hours.</p> <p><u>Committee Action Log</u> Committee reviewed outstanding actions from the previous Board Cycle across all Committees.</p> <p><u>Committee Allocation</u> Committee discussed continued difficulty in recruiting an H&S Champion. Following discussion, it was agreed that sufficient comfort on H&S matters were provided via regular reports to Audit, however Audit should reserve the right to seek detailed responses from Management, or invite appropriate staff members to an Audit Committee meeting, on any areas they would deem to be of concern.</p> <p>Committee were advised of potential progress around an interested party from PKC to fill the final IBM vacancy, which has been under discussion for a period of time.</p>	<p>Clerk to progress recruitment process</p>
<p>Committee Chaired by: Graham Watson</p>	<p>Date of next meeting: 15 April 2025</p>

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Board of Management – Standing Committee Summary

Paper No: 15b

Name of Committee: Learner Experience Committee	Date of Committee: 19 February 2025
Key Issues discussed: <u>Self-Evaluation Action Plans</u> Committee received the UHI SEAP report, which is now required to be submitted annually. Report stimulated discussion around alternative approaches to assessment and how these could best be delivered. <u>Tertiary Quality Enhancement Framework</u> Committee received some supporting information around the TQEF. A follow-up briefing on the Tertiary Quality Enhancement Review will follow once published. <u>Induction & Early Student Experience Survey</u> Committee noted the survey report which showed that the ISES had been issued to 2911 students, of which 68% of students responded (down 11%). There was a further notable decrease in overall response rates across FE, HN and Degree levels. Overall Satisfaction Rate had fallen by 1% to 96%. FE satisfaction rates had remained static at 98%. Committee discussed some underlying factors raised by the survey, including the impact of fewer PATs on response rates; the likelihood of NSS focus reducing HE response numbers; and the impact of AI on assessments. <u>SFC Benchmark Report on KPIs</u> Committee were advised that SFC had not released the report as yet and there was no information on timescales (normally published Dec/Jan). Delay was due to ASOS impacting on statutory returns.	Actions agreed:

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<p><u>Corporate Parenting Impact Report</u> Committee received annual report on Corporate Parenting, which provided an update on the impact the college is making with regards to looked after children, young people and care leavers.</p> <p>Report noted that there had been a drop in success rates for care-experienced students, and this was being looked into by a Special Interest Group to tackle.</p> <p><u>Student Recruitment</u> Committee received the latest update regarding student numbers for 2024/25, which continued to predict a shortfall of approx. 200 full-time HE, although Semester 2 recruitment has been slightly ahead of expectations which may reduce that figure. FE remains on track to meet the credit target.</p> <p>Committee were advised that targeting for 2025/26 is taking a more cautious approach to number projections.</p>	
<p>Committee Chaired by: Lorenz Cairns</p>	<p>Date of next meeting: 23 April 2025</p>

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Board of Management – Standing Committee Summary

Paper No: 15c

Name of Committee: AST Board	Date of Committee: 26 February 2025 17 March 2025 21 March 2025 25 March 2025
Key Issues discussed: <u>AST Business Options</u> Following the Extraordinary Meeting of the Board of Management on 06 March where issues affecting AST cashflow were discussed at length, additional significant pressures on the viability of AST were received. AST Board have met regularly since this point with specialist advisers to consider all the options available to AST within the legal limitations that exists for the company. The options process is drawing to a close, with another Emergency Meeting of AST Board scheduled for 25 March 2025, following which UHI Perth Board will be appraised of the decision made to allow discussion around the impacts of this.	Actions agreed: AST Board to meet 25 March 2025 and inform Board of outcomes.
Committee Chaired by: Graham Watson	Date of next scheduled meeting: 07 May 2025

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Student Centred + Innovative + Ambitious + Respectful + Inclusive + Collaborative

Board of Management – Standing Committee Summary

Paper No: 15d

[illegible]

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<p>numbers and the student experience, and the current and likely state of the international market</p> <p><u>UHI Perth Research Strategy</u></p> <p>Depute Principal (Academic) presented a paper on current research provision at UHI Perth and the factors affecting longer-term provision at a strategic level.</p>	<p>Committee strongly supported the pursuit of co-funding of research with UHI and endorsed the development of a UHI wide strategic research plan for 2025/26 and beyond.</p>
<p>Committee Chaired by: Jenny Hamilton</p>	<p>Date of next meeting: 21 May 2025</p>

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Board of Management – Standing Committee Summary

Paper No: 15e

Name of Committee: Finance & Resources	Date of Committee: 24 March 2025
Key Issues discussed: <u>Committee Approvals:</u> Chair noted that expenditure around approval of lift repairs exceeded the amount requiring Committee Approval as specified in the Committee Terms of Reference, and expressed concern that appropriate governance arrangements were not being followed. <u>UHI Perth Recovery Plan:</u> Committee discussed some of the options proposed and the likely positioning of these options, including the withdrawal from HE. Concern was raised that level of detail currently proposed to be provided within Recovery Plan will not meet Board's expectations. Committee expressed comfort that the full Recovery Plan paper may require to be issued late to allow review to meet Board's expectations. <u>Management Accounts & Financial Forecast:</u> Committee were advised on errors within the budgeting process, which had been noted within Paper 4 and to Executive Office. This has resulted in the forecast deficit increasing from £1.2m to £1.8m largely due to amended figures affecting Estates and pension strain costs. Committee also advised that the revised cashflow position predicts a £1m cash deficit in July 2025.	Actions agreed: Procedures to be reviewed and retrospective approval to be issued if required. Internal Audit to be made aware of issue to advise on course of action to be followed re potential flagging of issues to appropriate parties. Committee requested that SLT review what is to be presented to Board Meeting on 02 April, and agreed that a high-level paper be issued with Board Papers followed by a more detailed paper by afternoon of 31 March to ensure the Board have the level of detail they are looking for.

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<p>Committee sought clarity around how errors had occurred, including how pension strain costs had increased, and sought reassurance around Finance Team capacities.</p> <p><u>Standard Reporting Items:</u> Committee received updates on Estates, HR and Digital Transformation, and noted minutes from EDIT and Perth Staff Group</p>	<p>Committee requested that Internal Auditor review Finance Department around budgeting processes to allow lessons to be learned.</p>
<p>Committee Chaired by: Elain Piggot</p>	<p>Date of next meeting: 21 May 2025</p>

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Board of Management – Standing Committee Summary

Paper No:15f

Name of Committee: Audit	Date of Committee: 26 Mar 2025
<p>Key Issues discussed:</p> <p>Additions to the Agenda The committee were informed that 23/24 accounts sign off was being held due to AST situation. Committee were appraised of lift repair actions (Internal audit happy with approach)</p> <p>Enterprise Risk Management Report & Strategic Risk Register Depute Principal (Operations) presented Full Risk Report. Risk Appetite for People Risk agreed as Open.</p> <p>Cyber Security Half Year report Committee agreed the importance of the activities being undertaken including completion of Cyber Essentials Plus certification</p> <p>Internal Audit Progress Report March 2025 The report showed progress largely on track for 24/25. Committee discussed errors within the budgeting process and agreed to reallocate days initially planned HR & Finance System for this instead. This audit will include a review of the Finance Improvement Plan including prioritisation, resource and progress.</p> <p>Internal Audit report 2025/04 - International Activity A positive report was provided. Discussion centred on risks of disconnect between UHI and EO</p> <p>Audit Committee Report to the Board of Management Report approved</p>	<p>Risk register to be reviewed to ensure risks associated with resource resilience due to VS are included / updated (including IT and International resources)</p> <p>Agreed an Internal Audit will review the Finance Department around budgeting processes to allow lessons to be learned. Draft wording to be finalised and Internal Audit plan to be updated.</p> <p>Report to be presented to full board.</p>

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FOI & Data Protection + Health and Safety Committee Update The reports were taken as read	
Committee Chaired by: Derek Waugh	Date of next meeting: 28 May 2025

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BOARD OF MANAGEMENT

Membership

All Independent Members appointed by the Regional Strategic Body;

The Principal & Chief Executive of the College;

One person appointed by being elected by the teaching staff of the College;

One person appointed by being elected by the non- teaching staff of the College;

Two persons appointed by being nominated by HISA Perth from among the matriculated students of the College;

Two persons appointed by being nominated by the recognised Trade Unions of the College

In attendance

Depute Principal (Academic)

Depute Principal (Operations)

Other appropriate staff members of the College by invitation

Quorum

The quorum shall be 50% of the total current membership of the Board

Frequency of Meetings

The Board shall meet no less than four times per year.

Terms of Reference

During Board meetings and other sanctioned Board events, the Board shall:

1. Take note of the overall environment in which the college operates, and provide considered and appropriate strategic guidance to safeguard and enhance the continued operation of the college.
2. Ensure that the College provides the best possible education and learning environment for its students;
3. Ensure that the values and ethos of the College are upheld and promoted;
4. Ensure that its decision-making process is transparent, properly informed, rigorous and timely, and in the best interests of the College as a whole, including taking into account UHI partnership needs;
5. Ensure that the College operates ethically, responsibly and with respect for the environment and for society at large;
6. Ensure that robust risk management and internal control systems are in place, maintained and enhanced;
7. Ensure compliance with all statutes, ordinances and provisions regulating the College and its framework of governance.

Reviewed October 2024