

Board of Management

DRAFT Minutes

Meeting reference: Board 2024-25/03

Date and time: Wednesday 16 April 2025 at 5.00pm (rescheduled from 02 April 2025)

Location: ASW (Room 961)

Members present: Alistair Wylie, Interim Chair
Jenni Harrison, Board Member
Deirdre Joy, Board Member
Chris Lusk, Board Member
Debbie McIlwraith-Cameron, Board Member
Elaine Piggot, Board Member
Ian Robotham, Board Member
Alistair Wylie, Board Member
Margaret Cook, Principal & Chief Executive
Richard Fyfe, Staff Board Member
Patrick O'Donnell, Staff Board Member
Xander McDade, Student Board Member
Andi Garrity, Student Board Member
Ronnie Dewar, Trade Union Board Member

In attendance: Lorenz Cairns, Depute Principal (Academic)
Lynn Murray, Depute Principal (Operations)
Alastair MacColl, UHI Court
Mike Baxter, UHI Chief Financial Officer
Ian McCartney, Clerk to the Board of Management

Apologies: Chris Whatley, Board Member
Gavin Stevenson, Director of Finance
Vicki Nairn, UHI Principal

Chair: **Alistair Wylie**
Minute Taker: Ian McCartney
Quorum: 8

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We will act with integrity in everything we do

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

Current Action Log – Board of Management

Initial Meeting	Topic	Action	Owner	Progress Update
17 October 2023	Development Trust	Board to receive process update re winding up of Development Trust	Principal	Ongoing – DMC update Board at Cycle 3 meeting; paperwork due to be lodged with OSCR end May 2025 before wind-up signed off.
23 October 2024	Annual H&S Report	Volunteer info re Board H&S Champion to be circulated	Clerk	Complete – alternative monitoring via Audit Committee agreed.
16 April 2025	Recovery Options	Risk Appetite to be reviewed	Depute Principal (Operations)	Ongoing – to be considered at Audit Committee before presenting to Cycle 4 Board
16 April 2025	Voluntary Severance Scheme	Greater detail on ongoing consultation to be provided to Board	Principal	Complete – issued to Board 17 April 2025
16 April 2025	UHI Perth China Visit	Board to receive post-trip reports for international visits to show extent of income generated	Principal	Not yet available

MINUTES

Item		Action
1.	<p>Welcome and Apologies</p> <p>Interim Chair welcomed everyone to the meeting and noted apologies. Chair welcomed UHI colleagues Alastair MacColl and Mike Baxter to the meeting.</p> <p>Interim Chair advised that resignations had recently been received from the following members of the Board of Management, and for whom formal thanks were extended for their time on the Board:</p> <ul style="list-style-type: none"> • Graham Watson • Mary Fraser • Jenny Hamilton • Derek Waugh 	
2.	<p>Interim Chair Statement</p> <p>Interim Chair provided a prepared statement to Board addressing recent issues, clarifying expectations that Board members can expect from the Interim Chair, and that the Interim Chair has of Board members.</p> <p>Interim Chair noted the immediate focus was on the Recovery Plan, which was closely tied to the financial sustainability of the College, and advised that UHI would be providing support to assist the College both in terms of the Recovery Plan process, and to support the wider finance function. Interim Chair acknowledged the challenging timescales at play in order to get the Recovery Plan ready for discussion and approval at the June Board, but this was the reality that presented itself.</p> <p>Interim Chair recognised the need for transparent and clean data for decision-making and control of costs, with plans in place to provide regular updates to Board and Committees to allow planning for the future as part of the wider UHI Community. Failure is not an option for UHI and UHI Perth is part of that process, and to that end connections have already been made with other UHI partners.</p> <p>Interim Chair concluded statement by advising that there was an expectation to deliver tangible results within the next 3 months to build momentum – delivery of a Recovery Plan on paper was not enough as UHI and SFC need to see that the Plan is put into action at pace.</p>	
3a.	<p>Board Committees – Member Allocations</p> <p>Interim Chair presented Paper 18, which provided a summary of</p>	

	<p>Committee allocations following recent resignations, plus a rationale behind the removal of Strategic Development Committee.</p> <p>Board APPROVED Paper 18.</p>	
3b.	<p>Future Meeting Arrangements</p> <p>Interim Chair proposed, due to practicalities, to have scheduled Board Meetings and Development Sessions in person (albeit with Interim Chair likely to be chairing remotely), however that Committee Meetings be held online by default, while the College was in recovery mode over the next 3 months. Interim Chair advised that Board members should anticipate some meetings over the summer period, which would be easier to arrange and conduct if online.</p> <p>Board AGREED to these proposals.</p>	
4.	<p>Additions to the Agenda</p> <p>There were no additions to the agenda.</p> <p>Interim Chair noted that paper numbers were not in order due to these being retained from agenda of originally-scheduled meeting to avoid potential confusion.</p>	
5.	<p>Declaration of Interest in any Agenda Item</p> <p>There were no Declarations of Interest noted.</p>	
6a.	<p>Minutes of Board of Management meeting, 18 December 2024</p> <p>The minutes were APPROVED as an accurate record of the meeting.</p>	
6b.	<p>Minutes of Extraordinary Board of Management meeting, 04 February 2025</p> <p>The minutes were APPROVED as an accurate record of the meeting.</p>	
6c.	<p>Minutes of Extraordinary Board of Management meeting, 06 March 2025</p> <p>The minutes were APPROVED as an accurate record of the meeting.</p>	
7.	<p>Matters Arising from Previous Minutes</p> <p><u>Development Trust</u></p>	

	<p>Board were advised that the deed was being reorganised prior to wind-up, which would require informing OSCR 28 days beforehand (therefore around 26 May). Formal sign-off would be required after this process was concluded. Principal thanked Board Member for her time in assisting with this matter.</p> <p>Interim Chair requested that any other outstanding items should receive a push to close off.</p>	
8.1	<p>UHI Transitions Project Update</p> <p>Principal summarised Paper 4, noting that timescales around delivery of the FBC was a primary consideration.</p> <p>Interim Chair queried the appointment of the development support. UHI CFO advised that the role was being put back out to tender under procurement, with the closing date being 17th April. The appointment would be taken forward via the Constitutional workstream with a view to making an appointment in early May.</p> <p>Chair UHI Court advised Board that a workshop was being held on 21st to develop a number of areas around some big-ticket items with delegates from across all APs.</p> <p>Board NOTED Paper 4.</p>	
8.2	<p>Principal's Report</p> <p>Principal table Paper 5 for noting.</p> <p>Board member requested a breakdown of the categories of International provision. Principal would issue to Board in due course.</p> <p>Interim Chair queried how student recruitment was progressing. Depute Principal (Academic) advised that FE recruitment was stronger than this time last year, however HE is lagging behind. In addition to the planned Open Days scheduled over the next few weeks, sector directors will be looking at those areas that are under-recruiting in an effort to target specific courses.</p> <p>Interim Chair queried levels of continuing students. Depute Principal (Academic) advised that articulation was being closely looked at as 60% of the shortfall in HE numbers were due to student not articulating, including those students not progressing to Honours years.</p> <p>UHI CFO advised that SFC's indicative allocations for FE and HE show as a cash increase, but as this includes pay and pension increases this is an effective year-on-year decrease in real terms. However, SFC are open to discussing flexibility between HE and</p>	Principal

	<p>FE funding; meetings are being held in April and May to take forward.</p> <p>Paper 5 was NOTED by the Board.</p>	
8.3	<p>HISA Perth Report</p> <p>Student Board Member presented Paper 6, highlighting the record number of OBI nominations, and that the First Minister had accepted an invitation to attend as Keynote Speaker for the event.</p> <p>Student Board also advise a 200% increase in elections turnout at UHI Perth. An Elections Report will be provided to a future Board meeting.</p> <p>Board engaged in a brief debate around engagement of Student Voice Reps, including some focus on recognition of these volunteers via enhanced transcripts.</p> <p>Paper 6 was NOTED by the Board.</p>	
9.1 9.2 & 9.3	<p>UHI Perth Management Accounts to 31 January 2025; UHI Perth Financial Forecast to 31 July 2025 UHI Perth Mid-Year Review 2024/25</p> <p>Depute Principal (Operations) presented Papers 12, 13 and 14 together, noting that the forecast deficit for the year had risen from £1.2m to £1.8m due to an error within the Finance department around the Catering contract. Depute Principal (Operations) advised that the increased deficit would also affect cashflow, and the RSB had been informed as the matter required to be communicated to the SFC.</p> <p>Depute Principal (Operations) advised that an Internal Audit review of budgeting processes had been requested by F&R Committee and signed off by Audit Committee; this was being taken forward by the Internal Auditors with fieldwork due to start late April.</p> <p>Depute Principal (Operations) reported that the finance team had been at full complement from February, however there were still some internal training and induction due to be undertaken. Depute Principal (Operations) noted that the errors in budget had been picked up where they might not have been previously.</p> <p>Depute Principal (Operations) advised that the previous Chair had not been comfortable in signing off the audited accounts due to the AST position. It is hoped to have these ready for signing soon following discussions over treatment of Post Balance Sheet events.</p> <p>UHI CFO advised that there is an opportunity for a baseline reset for the Recovery Plan, with both UHI Perth Board and RSB</p>	

	<p>needing to understand exactly where UHI Perth is and the reasons for movement need to be understood and addressed. UHI CFO reiterated that UHI is happy to work with UHI Perth to assist and take these issues forward.</p> <p>Board Member noted that sharper data was required, given the confusion caused by changing numbers, and numbers differing in reports being presented, before querying whether any emergency controls were being implemented around expenditure. Depute Principal (Operations) advised that vacancies were being managed by SLT due to staff being the largest expenditure. Interim Chair suggested it would be useful to receive more regular report than current quarterly updates to generate confidence in controls.</p> <p>Board Member noted that, while the explanations provided in the management accounts are relatively detailed, it would be worthwhile knowing what restrictions/rules are already in place, while being mindful of slipping into operational territory. Interim Chair observed that an independent adviser in this area will assist in providing confidence in the financials.</p> <p>Board member noted the substantial variances showing and queried whether budget holders had been asked how these had occurred and whether these were going to be pulled back by the end of the FY. Depute Principal (Operations) advised that much of this was down to the budgets not including what was required, however lessons had been learned in this area. Interim Chair noted the legacy issues involves but these needed to be addressed.</p> <p>UHI CFO advised that monthly monitoring was being implemented at UHI from next AY and similar controls as being discussed at UHI Perth are in place at EO. Chair UHI Court noted Board's responsibility to ask questions in order to provide ass</p> <p>Interim Chair requested that Depute Principal (Operations) conduct a review of the financial information and controls that can be provided more frequently for Board.</p> <p>Board NOTED Papers 12, 13 & 14</p>	Depute Principal (Operations)
10.1	<p>AST Update</p> <p>Principal presented Papers 7 and 7a to Board, noting that Paper 7 was a confidential paper providing a detailed summary of the situation surrounding AST as it affects students, and was originally presented by the RSB to SFC.</p> <p>Paper 7a provided a broad summary of the timeline around the decision to place AST into Administration and outlined next steps in the Administration process.</p>	

	<p>Principal also noted that the Administrator had advised that the CAA had temporarily suspended its licensing arrangements with AST, however this had been reinstated today after discussions, which will allow the Managed Stop process as described in Paper 7a to proceed as planned.</p> <p>Principal confirmed that 18 AST staff had been made redundant, with 10 staff retained until approximately mid-May, primarily to ensure the Part 66 element of the BSc was completed. However, there were other students still being taught under the Managed Stop, including some commercial students and external customers. The College is underwriting the costs of the staff retained to deliver the Managed Stop.</p> <p>Principal further confirmed that the AST Board had been stood down at the point of the Administrator being appointed, and all bank balances have been transferred to the Administrator as required by the process.</p> <p>Principal advised that there were currently 39 interested parties who had lodged an interest in some elements of the business.</p> <p>Principal concluded summary by thanking AST Directors for their commitment and support during a challenging time. The process had been difficult and significant for all affected. Board Member noted that the previous Chair of AST had stepped down prior to the final decision being made, and the Principal stepped in to conclude affairs, which took considerable resilience under the circumstances. Principal added that the greatest resilience had been shown by the former AST General Manager, despite him being personally impacted by the final decision.</p> <p>Depute Principal (Academic) summarised the position surrounding curricular perspective, noting that 25 students were waiting to get onto Year 1 of the BSc programme; work was ongoing with EO to consider options and SAAS had been engaged in relation to funding.</p> <p>Depute Principal (Academic) noted that no other establishment in Scotland delivers the Part 66 element of the programme, however options were being looked at for who could deliver this.</p> <p>Interim Chair queried what exposure the College would have in terms of costs going forward. Principal advised that the £20k shareholding the College had as a 100% shareholder will be written off, and there were other exposures around IT (approx. £6k).</p> <p>Board NOTED Papers 7 and 7a.</p>	
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<p>10.2</p>	<p>UHI Perth Recovery Options</p> <p>Interim Chair introduced item by noting that Paper 8 essentially provided a range of options to be further investigated prior to a Recovery Plan being produced which focuses on things that UHI Perth can directly affect.</p> <p>Interim Chair noted the appointment of an independent consultant to assist in the process.</p> <p>UHI CFO suggested, given the budget cycle, that the Recovery Plan should be taken over a 3-year rather than 2-year period to allow for a focus on growth as well as cost reduction. It is likely that SFC will be expecting this approach.</p> <p>Board Member queried whether Course Profitability Analysis had been conducted. Depute Principal (Operations) advised that this work had been started, with a template developed, but not yet populated due to work on the budget. Board Member stressed the need for this data to underpin figures and assist the independent consultant in their work. Principal advised that the Budget would be presented to Cycle 4 Finance & Resources Committee, and the Course Profitability work should be completed by that time.</p> <p>Student Board Member agreed that a 3-year Plan makes sense, and sought reassurance that there would be an emphasis on not taking any more resource out of the curriculum.</p> <p>Board Member advocated a need for a more commercial approach to the Plan, utilising different ways of thinking that may have a higher level of risk. Interim Chair noted that there would be a need during the process to review the Board's Risk Appetite.</p> <p>Paper 8 was NOTED by Board.</p>	
<p>10.3</p>	<p>UHI Perth Voluntary Severance Scheme</p> <p>Principal presented Papers 9 and 9a for consideration by the Board.</p> <p>Paper 9 related to the extension of the current Voluntary Severance Scheme, which runs out at the end of the Academic Year, while Paper 9a is a proposed agreement to spread the Pension Strain costs over a 5-year period as previously discussed.</p> <p>Board Member queried whether SFC had been approached re their thoughts on how repayments will affect the financial position in terms of providing up-front funding to allow payment in full rather than spread over 5 years with interest payments. Principal advised that there was precedent with another college for a similar arrangement, and this can be investigated. UHI CFO noted that</p>	

	<p>such an approach is effectively a spend-to-save approach which SFC may be sympathetic toward.</p> <p>Interim Chair queried how seeking support funding would tie in with timings around VS. Board Member noted that, without a Recovery Plan, it is not clear what the College can afford in terms of VS, so there is a need to determine whether this option is viable. Principal noted that the VS request was about the permission to have a scheme, not about permission to necessarily use the scheme.</p> <p>Board Member queried whether discussing VS schemes fits into the narrative around reset as communicated to students and staff.</p> <p>UHI CFO noted that extending the VS scheme would allow for amendments, however allowing it to lapse would mean a new scheme would need to be approved by SFC, which may take longer.</p> <p>Interim Chair was not convinced that the current VS scheme could be considered a success, particularly given the surprises around Pension Strain costs. Decisions look to have been taken without the financials of a crystallised position. Principal advised that the exact costs of Pension Strain cannot be known until the point of termination; only indicative numbers were known, and these were within approved tolerances.</p> <p>Student Board Member proposed deferring a decision on the VS scheme until the June Board meeting to fit in with the Recovery Plan, and suggested that no further applications be accepted until that point as the landscape and strategic direction of the College may be different to those during previous processes. Principal cautioned that this approach would affect the conclusion of ongoing Consultation processes which would provide some challenges, and would result in having a number of staff in the wrong places. In addition, stopping the process at this point may result in those staff affected not engaging in future processes. Board Member suggested that these concerns would be covered off within the Recovery Plan.</p> <p>Board Member expressed concern that the UHI Family solution may take longer than the 3 years for the Recovery Plan to get the College back to break-even, therefore realistically the College will need to save money, and the biggest financial commitment is staff costs. All options should therefore be retained and considered, and it is difficult to see the benefit of stopping a cost-saving process so close to completion.</p> <p>Board Member noted that the Recovery Plan needs to look at a range of options to avoid the “salami-slicing” that repeated VS schemes usually results in.</p>	
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	<p>Interim Chair attempted to summarise the mood of Board, with the following proposals:</p> <ul style="list-style-type: none"> • Defer extension of the proposal to extend the VS scheme until the June Board; • Continue with the consultation process but with no final decision until the above decision is reached; • Consider VS proposals within the context of the Recovery Plan; • No VS granted until more clarity is available. <p>Student Board Member sought understanding of the range of Pension Strain costs for those staff under consultation prior to such costs being incurred. Principal advised that such data could be provided within 24 hours. Depute Principal (Academic) stressed the need to be cognisant of how long the process had been ongoing for, and the effect on staff who think an end-point is imminent.</p> <p>Following conclusion of the discussion, Board AGREED to the proposals as outlined by the Interim Chair, above.</p>	
10.4	<p>Brahan Lift Works</p> <p>Depute Principal (Operations) summarised Paper 10, noting the reasons for retrospective approval being required. Depute Principal (Operations) noted that APUC procedures had been amended for future approval processes.</p> <p>Paper 10 was APPROVED by Board.</p>	
10.5	<p>Audit Committee Report to the Board of Management</p> <p>Chair of Audit presented Paper 11 for consideration and approval, noting that the paper was a mandatory summary drawn from Internal and External Audit reports and provides an over-arching summary of systems of internal controls.</p> <p>Paper 11 was APPROVED by Board.</p>	
10.6	<p>UHI Perth – China Visit</p> <p>Principal presented Paper 17 for approval, noting that while the project represented business as usual, International income is one of the few areas of potential growth for non-SFC income.</p> <p>Board Member sought to better understand the contractual obligations and the cultural expectations around a senior staff member of UHI Perth member attend graduations instead of an equivalent at UHI.</p>	

	<p>Principal advised that the trip included a number of activities beyond ceremonial activities, particularly at an academic exchange level, with benefits around academic development in terms of working with partner teams and underlining confidence in the ability to deliver academic programmes.</p> <p>Board Member noted that the £8k costs for the visit were a fraction of the overall project costs, and a useful way of bringing in extra income. Student Board Member agreed, but Board also need to consider the risks around the optics, as happened recently at Dundee University.</p> <p>Principal advised that the way the trip was structure represented the most cost-effective way of delivering a number of objectives as it reduces the need for several individual trips. Depute Principal (Academic) noted the consequences of not going in terms of maintenance of existing contracts and development of future contracts.</p> <p>Board Member advised that Board should see the trip in terms of a Business Development investment rather than as a cost, and that the not sending the required staff puts future business at risk.</p> <p>Board APPROVED Paper 17, and requested a post-trip report showing the extent of monies being brought in as a result.</p>	
11.	<p>Standing Committee Summaries</p> <p>Board received and NOTED summaries from the Chairs of each of the following Standing Committee meetings:</p> <ul style="list-style-type: none"> • Chairs Committee – 11 February 2025 • Learner Experience Committee – 19 February 2025 • AST Board – 26 February 2025, 17 March 2025, 21 March 2025 & 25 March 2025 • Strategic Development Committee – 11 March 2025 • Finance & Resources Committee – 24 March 2025 • Audit Committee – 26 March 2025 	
12.	<p>Date & Time of Next Meeting</p> <ul style="list-style-type: none"> • Thursday 05 June 2025, 1:00pm 	
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** ☒