

## Board of Management

### Agenda

**Meeting reference:** Board 2024-25/02  
**Date:** Wednesday 18 December 2024 at 5.00pm  
**Location:** ASW Room 961  
**Purpose:** Scheduled 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		Chair	
2	Additions to the Agenda		Chair	
3	Declaration of a Conflict of Interest in any Agenda Item		Chair	
*4	Minutes of the Board meeting held on 23 October 2024	Clerk	Chair	Paper 1
*5	Actions arising from previous minutes		Chair	Verbal
6	<b>Items for Approval/Endorsement</b>			
*6.1	UHI Perth Budget 2024-25	Depute Principal (Operations)	Depute Principal (Operations)	Paper 2
*6.2	Internal Audit Annual Report 2023-24	Internal Auditors	Chair, Audit	Paper 3
7	<b>Standing Reports</b>			
7.1	Chair's Report		Chair	Verbal
7.2	Principal's Report		Principal	Paper 4
7.3	HISA Perth Report		HISA Perth	Paper 5
8	<b>Audits &amp; Financial Reporting</b>			
8.1	Perth College Management Accounts to 31 October 2024 & Financial Outlook	Director of Finance	Depute Principal (Operations)	Paper 6

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	<b>Agenda Items</b>	<b>Author</b>	<b>Led by</b>	<b>Paper</b>
8.2	Update on External Audit for Year to 31 July 2024	Depute Principal (Operations)	Depute Principal (Operations)	Paper 7
8.3	Update on Finance Resourcing	Director of HR	Principal	Paper 8
9	<b>Compliance, Risk &amp; Performance Monitoring</b>			
*9.1	Balanced Scorecard	Depute Principal (Operations)	Depute Principal (Operations)	Paper 9
*9.2	UHI Perth Board of Management External Effectiveness Review – Development Plan	Clerk	Clerk	Paper 10
11	<b>Standing Committee Summaries</b>			
11.1	Strategic Committee – 12 November 2024	Chair - SDC	Chair - SDC	Paper 11a
11.2	Learner Experience Committee – 20 November 2024	Chair – LEC	Chair – LEC	Paper 11b
11.3	AST Board – 27 November 2024	Chair – AST	Chair – AST	Paper 11c
11.4	Chairs Committee – 28 November 2024	Chair – BoM	Chair – BoM	Paper 11d
11.5	Finance & Resources Committee – 05 December 2024	Chair – F&R	Chair – F&R	Paper 11e
11.6	Audit Committee – 11 December 2024	Chair – Audit	Chair – Audit	Paper 11f
12	Date & Time of Next Meeting <ul style="list-style-type: none"> <li><b>Tuesday 11 March 2024, 5:00pm</b></li> </ul> Board Members are asked to note that an Extraordinary Meeting will be required to formally approve the UHI Perth Financial Statements and External Audit Report for 2023-24 (date tbc)	Clerk		
*13	Review of meeting (Committee to check against the Terms of Reference to ensure all competent business has been covered)		Chair	Paper 12

## Board of Management

### DRAFT Minutes

**Meeting reference:** Board 2024-25/01

**Date and time:** Wednesday 23 October 2024 at 5.00pm

**Location:** ASW (Room 961)

**Members present:** Graham Watson, Chair, Board of Management  
Jenny Hamilton, Board Member  
Chris Lusk, Board Member  
Debbie McIlwraith-Cameron, Board Member (from Item 7.3)  
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

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

**Apologies:** Mary Fraser, Board Member  
Jenni Harrison, Board Member  
Winston Flynn, Trade Union Board Member  
Lorenz Cairns, Depute Principal (Academic)

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

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## **Current Action Log**

<b>Initial Meeting date</b>	<b>Topic</b>	<b>Action</b>	<b>Owner</b>
17 October 2023	Development Trust	Board to receive process update re winding up of Development Trust	Principal
23 October 2024	Chair's Report	Board to be provided with update re progress on OBC	Chair
23 October 2024	Principal's Report	Principal to issue comms to internal and external stakeholders re Colleges Scotland submission to Scottish Government re draft budget	Principal
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
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
23 October 2024	Draft Budget	Budget to be approved pending additional work per above	Board
23 October 2024	Draft Budget	Communicate key funding issues to UHI and SFC	Chair
23 October 2024	Pension Strain	Board to be provided with actual vs assumed Pension Strain costs (budgeted as a %age)	Director of Finance
23 October 2024	Annual H&S Report	Volunteer info re Board H&S Champion to be circulated	Clerk
23 October 2024	External Effectiveness Review	Development Plan to be compiled and circulated	Clerk
23 October 2024	Balanced Scorecard	Time to be found to analyse in more detail – possible use of Board Development Evening	Clerk

## MINUTES

Item		Action												
1.	<b>Welcome and Apologies</b>  Chair welcomed everyone to the meeting and noted apologies.													
2.	<b>Additions to the Agenda</b>  Board noted the formal approval of the Audited Accounts and Financial Statements had taken place at the Board Development Evening on Thursday 26 <sup>th</sup> September 2024 to enable these to be lodged with SFC via UHI.  The formal record of this process is noted under Addendum A of these minutes, listed as Item 14.													
3.	<b>Declaration of Interest in any Agenda Item</b>  There were no Declarations of Interest noted.													
4.	<b>Minutes of Extraordinary Board of Management meeting, 05 June 2024</b>  The minutes were <b>APPROVED</b> as an accurate record of the meeting.													
5.	<b>Minutes of Board of Management meeting, 06 June 2024</b>  The minutes were <b>APPROVED</b> as an accurate record of the meeting.  Chair noted that it would be useful for Board to receive a reconciliation of the actual savings vs the £3.2m approved by Board to monitor what has and will be achieved.	SLT												
6.	<b>Matters Arising</b> <table><thead><tr><th>Initial Meeting date</th><th>Topic</th><th>Action</th><th>Status</th></tr></thead><tbody><tr><td>17/10/2023</td><td>Development Trust</td><td>Board to receive process update re winding up of Development Trust</td><td>Remains Ongoing</td></tr><tr><td>14/12/2023</td><td>Approval of Accounts</td><td>Extraordinary Board meeting to be organised early in 2024 to scrutinise and approve Financial</td><td>Completed 26/09/2024</td></tr></tbody></table>	Initial Meeting date	Topic	Action	Status	17/10/2023	Development Trust	Board to receive process update re winding up of Development Trust	Remains Ongoing	14/12/2023	Approval of Accounts	Extraordinary Board meeting to be organised early in 2024 to scrutinise and approve Financial	Completed 26/09/2024	
Initial Meeting date	Topic	Action	Status											
17/10/2023	Development Trust	Board to receive process update re winding up of Development Trust	Remains Ongoing											
14/12/2023	Approval of Accounts	Extraordinary Board meeting to be organised early in 2024 to scrutinise and approve Financial	Completed 26/09/2024											

	Statements & Audited Accounts	
7.1	<p><b>Chair's Report</b></p> <p>Chair noted the follow-up information circulated to Board Members around the Target Operating Model.</p> <p>Chair thanked all concerned regarding the recent successful Graduation event, despite the inability to parade through the city.</p>	
7.2	<p><b>Principal's Report</b></p> <p>Principal summarised Paper 3, noting that discussions would be taken forward around what may replace the Graduation Procession in future years.</p> <p>Principal advised that there had been limited work since September around the UHI OBC, although a Transition Board was scheduled for next week.</p> <p>Principal noted that UHI partners had failed to collectively purchase and HR &amp; Payroll system as previously noted, and updated Board on the current position around Pay Awards</p> <p>Chair queried whether there had been any local input to the College's Scotland submission to Scottish Government re the draft Budget. Principal agreed to issue comms to internal and external stakeholders.</p> <p>Board Member suggested it would be useful for Board to be updated on a regular basis re UHI OBC given previously noted timelines. Chair agreed to provide Board with any updates re progress on OBC, noting that the most recent email issued referred to the next stage as "discussions in early November".</p> <p>Paper 3 was <b>NOTED</b> by the Board.</p>	<p>Principal</p> <p>Chair</p>
7.3	<p><b>HISA Perth Report</b></p> <p>Student Board Member summarised Paper 4, noting that the report was formatted to provide a UHI-wide focus with added local context.</p> <p>Student Board Member highlighted the number of class visits by HISA Perth across all subject areas, and noted an uplift in the numbers of Student Voice Reps being recruited, engaged and trained, which look to be connected.</p> <p>Student Board Member noted the work being taken forward with</p>	

	<p>Learner Experience Committee on sports and societies, and summarised a range of pre-Xmas activities to encourage engagement across campus. Processes around the OBIs are currently being reviewed.</p> <p>Chair queried plans on improving election turnout. Student Board Member advised that promotions and the voting system are being reviewed, however fundamentally the Association needs higher levels of engagement to provide a baseline for students getting involved in democratic processes.</p> <p>Paper 4 was <b>NOTED</b> by the Board.</p>	
<b>8.1</b>	<p><b>UHI Perth Management Accounts to 31 July 2024</b></p> <p>Director of Finance presented Paper 5 for information, noting that the accounts had been previously presented to scrutinised by Finance &amp; Resources Committee.</p> <p>Director of Finance highlighted that the position presented includes an accrual for a back-dated Pay Award relating to Teaching Staff of approximately £1.6m.</p> <p>Board <b>NOTED</b> Paper 5.</p>	
<b>8.2</b>	<p><b>UHI Perth FFR</b></p> <p>Director of Finance presented Paper 6 for information, noting that this represented the Submission for 2024/25 and the subsequent two financial years.</p> <p>Director of Finance highlighted the key differences between the FFR presented and the model that was agreed at June Board, noting in particular the difference between a 2% increase in income versus the flat cash model; the removal of £200k in commercial income; and staff cost savings adjusted to take account of timing issues.</p> <p>Chair noted that the FFR was provided to meet SFC's requirements, and queried whether there was any useful purpose for the FFR locally, and whether, if OBC was using FFR as a basis for financial projections, there are likely to be some inaccuracies. Principal noted that FFR was based on assumptions provided by SFC rather than locally which does tend to skew matters, and advised that alternative versions were previously produced but these were not recognised by SFC.</p>	
<b>9.1</b>	<p><b>UHI Perth Budget 2024-25</b></p> <p>Depute Principal (Operations) presented Paper 7, noting that the £1.157m deficit prediction remained close to that presented to Finance &amp; Resources Committee, and that SLT had been meeting</p>	

	<p>with budget holders since F&amp;R which had revealed some additional costs as well as items to be removed from the Budget.</p> <p>Depute Principal (Operations) identified main reasons for Budget not breaking even to be an approx. £800k shortfall in student numbers (equivalent to approx. 200 FTEs) and £200k International commercial income being removed. Budget reflects known position re VS but not those posts still undertaking individual consultation, a figure of approx £500k.</p> <p>Depute Principal (Operations) noted that non-staff costs around IT and Estates had not been heavily reviewed due to potential impact on the student experience, and there is a need to invest in systems to assist in efficiencies.</p> <p>Board Member queried whether cost benefit analysis of systems would identify reduced costs in other areas, citing the example of the recently-shelved HR and Payroll joint system. Principal advised that each of the 4 partners involved in that system would have been implementing new systems on their own and had the single-service solution been implemented there would have been significant economies of scale released.</p> <p>Board Member queried whether the Estates Maintenance costs were related to a Conditions Survey. Depute Principal (Operations) advised that the current Survey had been produced over 2 years ago and was funded by SFC. The Director of Estates was implementing a new system to address the tracking of maintenance and repairs. Depute Principal (Operations) additionally advised that Perth Leadership Group had been engaged in an exercise looking at room usage across the campus to consider the impact on non-utilised rooms on teaching and staff capacities, and IT suites are a focus within this exercise.</p> <p>Board Member queried whether there was any sight on whether the Top-Slice was producing value for money for UHI Perth. Board Member expressed alarm that the College was looking to take out a £1.8m loan over 5 years given the current Risk Appetite in this area, and couldn't reconcile this against a deficit Budget.</p> <p>Chair noted that the previous Board had approved a £3.2m savings plan which projected a £420k surplus over time, but the Budget for the current year was projecting a £1.2m deficit with £800k of this made up of student numbers. There appeared to be a consistent over-estimation of student numbers that the College is unable to deliver, which provides an unrealistic assessment of where the College is as the £3.2m savings were agreed in order to right-size the business and return to a break-even position. Chair further noted that the College can't keep producing deficit budgets.</p> <p>Staff Board Member queried whether Part-Time Student numbers</p>	
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	<p>were still to be added to these figures so the figures reflected the best-case scenario. Principal clarified that the figure was based on absolute numbers to October and estimates thereafter.</p> <p>Student Board Member expressed concern that the College would return to the curriculum to cut costs, as there are already pressures on capacity and this will have an impact on student retention – the focus should be on the Top Slice instead. Chair advised that the College does not currently have levers to pull regarding the Top-Slice.</p> <p>Board Member queried whether cuts had been made in the right places to help invest in areas such as IT and the student experience. Principal advised that there were no surplus staff in any area of the College and the tipping point was being approached in terms of functionality.</p> <p>Board Member asked whether the business model being used was the current one for the size of the business. Depute Principal (Operations) noted that overall costs were too high, but the College is at the bare bones in terms of non-staff costs, and PLG have looked at mitigations.</p> <p>Board Member noted that the £3.2m savings contained various assumptions and queried whether Appendix 1 as provided is effectively the new plan for this. Chair noted that the £3.2m savings is based on higher HE numbers than the Budget shows, and over 3 years. Chair also noted that the College makes money from FE and loses in HE, but there is no breakdown of these figures – if the College are not making money from HE why are we doing it? Principal advised that there are a variety of factors involved in answering that. HE numbers are clearly a concern and continuation of trends will impact on future planning and will shrink UHI Perth, and UHI, as an organisation.</p> <p>Chair noted that there was no material change from the position presented at F&amp;R and asked whether there was any likelihood to turn the position to break-even over the next 3 years as if not this needs to be communicated to UHI and SFC as additional funding will be required. Principal advised that there are some figures around contracts and timesheets that there will be some flexibility around, and while the Budget reflects the current position this will be regularly reviewed going forward.</p> <p>Board Member queried why staff numbers were not being reduced in line with the drop-off in student numbers. Principal noted that there is a requirement for run-out in courses that may be removed. Board Member noted that projections for these instances would be useful.</p> <p>Student Board Member queried whether there was any scope for</p>	
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	<p>alternative options, such as private courses. Depute Principal agreed that this is an option, however cautioned that employers are very reluctant to pay for these.</p> <p>Board Member expressed concern at how quickly the position has moved for the worse since the June Board passed the savings plan, and would not be comfortable passing a Budget that cannot provide assurances that the scenario cannot be resolved over the next 3 years.</p> <p>Chair queried the impact on cashflow, based on the 3-year Budget. Director of Finance noted that a cashflow had not been projected beyond 2024/25. Chair noted that there needs to be honest conversations with UHI and SFC regarding the College's budget positions and cashflow requirements going forward.</p> <p>Board Member suggested it would be useful to receive detail on the numbers of staff removed from the payroll and the numbers still within this process. Principal noted that the Board had approved this process to be completed by end of Academic Year 2024/25 and the College was still on track to achieve this. Board Member responded that a different picture is being proposed that the Board needs cognisance of.</p> <p>Chair queried how long a 3-year cashflow forecast would take to produce as this will be required for insight around additional funding requirements. Director of Finance advised that this could be provided early next week, however the College remained in the dark around terms and conditions for any additional funding.</p> <p>Board Member advised that it feels like there are limited options for the College other than seeking additional funds from the Government. Board Member agreed, but expressed concern that the focus remains simply on removing deficits rather than seeking more fundamental solutions as the HE market has changed massively over the last 3 years.</p> <p>Chair summarised the discussion and noted the following actions:</p> <ul style="list-style-type: none"> <li>• Board to receive 3-year Cashflow as soon as possible to enable articulation of requirements for funding</li> <li>• Board to discuss levers available and bigger picture around wider problems that may or may not be resolved via OBC</li> <li>• Chair to communicate key funding issues to UHI and SFC</li> </ul> <p>Board was unable to approve UHI Perth Budget 2024/25 pending additional work actioned. Budget to be approved online, subject to pending additional work noted above.</p>	<p>Director of Finance</p> <p>Board</p> <p>Chair</p> <p>Board</p>
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9.2	<p><b>Pension Strain</b></p> <p>Principal presented Paper 8 for approval, noting that the approximate strain cost has been assessed as £620k rather than the £470k figure noted in the Paper.</p> <p>Chair observed that there seemed little option for the Board other than approving the Paper, however this would need to be in principle until the terms of the loan agreement were seen.</p> <p>Board Member expressed surprise that Pension Strain costs were not highlighted in the original proposal paper given the additional risk around cashflow this creates, and that Board should have received clarity around whether these costs were included in cost/benefit calculations.</p> <p>Principal noted that that individual Pension Strain costs cannot be predicted in the same way as calculations linked to VS, and clarified that Strain costs were included in the overall calculations around cost/benefit.</p> <p>Board <b>APPROVED</b> Paper 8 in principle pending loan agreement terms.</p> <p>Board to be provided with actual vs assumed Pension Strain costs, with budgeted costs presented as a percentage.</p>	Director of Finance
9.3	<p><b>Annual Health &amp; Safety Report</b></p> <p>Principal presented Paper 9, noting that the Annual H&amp;S Report requires formal approval.</p> <p>Board Member queried the value for money around the confidential counselling service for employees. Principal clarified that a new contract for that service was being negotiated.</p> <p>Board Member queried the current position of the Board H&amp;S Champion. Clerk noted that this position had been vacant since a Board Member resignation and no volunteer had been recruited during the Board Review over the summer. Clerk to circulate information.</p> <p>Board <b>APPROVED</b> Paper 9.</p>	Clerk
9.4	<p><b>UHI Perth Board of Management External Effectiveness Review</b></p> <p>Clerk presented Paper 10, noting the addition of a Board Statement to the original draft as previously agreed</p> <p>Clerk added that the next phase after approval of the report was to pull together a Development Plan to implement the</p>	Clerk

	<p>recommendations.</p> <p>Board <b>APPROVED</b> Paper 10.</p>	
9.5	<p><b>Review of Scheme of Delegation and Committee Terms of Reference</b></p> <p>Clerk presented Paper 11, noting that Board had a mandatory requirement to review the Scheme of Delegation on a regular basis.</p> <p>Clerk advised that the majority of changes relating to the various Terms of Reference were nomenclature-based, and highlighted the other amendments provided.</p> <p>Board Member noted 2 minor amendments that would be corrected by Clerk. Subject to these amendments being made, Board <b>APPROVED</b> Paper 11.</p>	
10.1	<p><b>Balanced Scorecard</b></p> <p>Depute Principal (Operations) presented Paper 12 for information, noting that some targets for this year had still to be finalised.</p> <p>Board expressed a desire for time to be found to analyse the Scorecard in more in more detail, either by elevating the paper higher up the agenda, or through dedicated time being allocated during a Board Development Evening. Clerk to action.</p> <p>Board <b>NOTED</b> Paper 12.</p>	Clerk
11.	<p><b>Standing Committee Summaries</b></p> <p>Board received summaries from the Chairs of each Standing Committee and <b>NOTED</b> the following minutes:</p> <ul style="list-style-type: none"> <li>• Chairs Committee – 27 August 2024</li> <li>• AST Board – 04 September 2024</li> <li>• Learner Experience Committee – 11 September 2024</li> <li>• Strategic Development Committee – 17 September 2024</li> <li>• Finance &amp; Resources Committee – 26 September 2024</li> <li>• Audit Committee – 09 October 2024</li> </ul>	
12.	<p><b>Date &amp; Time of Next Meeting</b></p> <ul style="list-style-type: none"> <li>• Wednesday 18 December 2024 @ 5:00pm</li> </ul>	

13.	<p><b>Review of Meeting</b></p> <p>Board confirmed that the meeting had been conducted in line with the Terms of Reference.</p>	
14.	<p><b>ADDENDUM A</b></p> <p><b>Approval of Audited Accounts 2022/23 and UHI Perth Group Financial Statements 2022/23 on Thursday 26<sup>th</sup> September 2024</b></p> <p><u>Present:</u>  Graham Watson, Chair, Board of Management  Mary Fraser, Board Member  Jenni Harrison, Board Member  Chris Lusk, Board Member  Elaine Piggot, Board Member  Ian Robotham, Board Member  Derek Waugh, Board Member  Margaret Cook, Principal &amp; Chief Executive  Patrick O'Donnell, Staff Board Member  Xander McDade, Student Board Member  Andi Garrity, Student Board Member  Winston Flynn, Trade Union Board Member</p> <p><u>In attendance:</u>  Lorenz Cairns, Depute Principal (Academic)  Gavin Stevenson, Director of Finance  Ian McCartney, Clerk to the Board of Management</p> <p><u>Apologies:</u>  Jenny Hamilton, Board Member  Debbie McIlwraith-Cameron, Board Member  Alistair Wylie, Board Member  Ronnie Dewar, Trade Union Board Member  Lynn Murray, Depute Principal (Operations)</p> <p>Chair noted that, per the College's Financial Memorandum, the Annual Accounts and Financial Statements had been endorsed by a Joint Meeting of Finance &amp; Resources and Audit Committees at a meeting on 26<sup>th</sup> September, and were presented for approval by the Board of Management.</p> <p>The Financial Statements were noted as providing an assessment of the College's financial position for the year ending 31 July 2023 and have been completed in compliance with the Account's Direction for Colleges and with the Code of Good College Governance.</p> <p>Board noted the small number of changes advised to the Joint Committee and <b>APPROVED</b> the 2022/23 Annual Accounts &amp; Financial Statements subject to these changes, and authorised the signing of the Letter of Representation on the same basis.</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** ☒

<b>Committee</b>	Board of Management
<b>Subject</b>	UHI Perth - Draft 2024/25 Budget
<b>Date of Committee meeting</b>	18/12/2024
<b>Authors</b>	Gavin Stevenson, Director of Finance Lynn Murray, Depute Principal - Operations
<b>Date paper prepared</b>	13/12/2024
<b>Executive summary of the paper</b>	<p>This paper includes the draft 2024/25 budget of £1.288m deficit, which is tabled for Board approval. Indicative budgets are shown for 2025/26 (£0.768m deficit) and 2026/27 (£1.229m deficit).</p> <p>The paper also asks the Board to agree whether to make an additional funding request to SFC for £100k to cover the management fee from Air Services Training (AST).</p> <p>Please note that this paper incorporates a number of appendices for broader context, listed as follows:</p> <p>Appendix 1 – Liquidity support letter from SFC</p> <p>Appendix 2 – Budget 2024-25</p> <p>Appendix 3 - Cashflow</p> <p>Appendix 4 – Budget Assumptions</p> <p>Appendix 5 - Budget 2024/25 and Savings Plan</p> <p>Appendix 6 – Additional information requests following the Board meeting on 23 October 2024</p> <p>Appendix 7 – Scottish Government 2025/26 Budget – Summary from Colleges Scotland</p>
<b>Consultation</b> How has consultation with partners been carried out?	Discussions have taken place with the Executive Office of UHI and AST.

<b>Action requested</b>	<input type="checkbox"/> For information only <input type="checkbox"/> For discussion <input type="checkbox"/> For recommendation <input checked="" type="checkbox"/> For approval
<b>Resource implications</b> (If yes, please provide details)	Yes Budgeted income and expenditure is included
<b>Risk implications</b> (If yes, please provide details)	<b>Yes</b> Notes the risk to financial sustainability
<b>Link with strategy</b> Please highlight how the paper links to the Strategic Plan, or assist with: <ul style="list-style-type: none"> <li>• Compliance</li> <li>• National Student Survey</li> <li>• partnership services</li> <li>• risk management</li> <li>• other activity [e.g. new opportunity] – please provide further information</li> </ul>	Financial sustainability
<u><b>Equality and diversity</b></u> <b>No</b> If yes, please give details:	Click or tap here to enter text.
<b>Island communities</b> 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)?	<b>No</b> If yes, please give details: Click or tap here to enter text.



<p><b><u>Data Protection</u></b></p> <p>Does this activity/ proposal require a Data Protection Impact Assessment?</p>	<p><b>No</b></p> <p>Set out any data protection aspects and whether a data protection impact assessment is needed</p>
<p><b>Status</b> (e.g. confidential/non confidential)</p>	<p>Non-Confidential</p>
<p><b>Freedom of information</b></p> <p>Can this paper be included in “open” business?* <b>-Yes</b></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](http://www.itspublicknowledge.info/web/FILES/Public_Interest_Test.pdf)

**Background**

1. A draft budget for 2024/25 was presented to the Board at the meeting of 23 October 2024, showing a deficit of £1.157m. The Board did not agree to approve the deficit budget and asked for more information on various aspects of the budget, including the level of staff savings realised to date against that identified in the paper to the Board on 6 June 2024. Senior management provided this information and follow-up information in the period after the Board meeting. This information is included at appendices 5 and 6.
2. At the Finance and Resources Committee meeting on 5 December 2024 there was further discussion as the Committee remained concerned about approving a deficit budget, particularly when the Scottish Funding Council (SFC) had not formalised the terms of the liquidity support provided. The SFC has made an advance of £0.650m to UHI Perth that will be repaid via reduced drawdown in the early part of 2025 as well as two payments of £0.500m and £1m as liquidity support. On 11 November the Chief Finance Officer of the Executive Office of UHI (EO) forwarded a letter from the SFC setting out their terms and conditions (see appendix 1). In summary the liquidity support to UHI Perth is repayable when we have the financial ability and there is no interest payable.
3. It was agreed at the Finance and Resources Committee on 5 December that a reforecast, based on Quarter 1, would be tabled at the Board meeting on 18 December.

**Draft 2024/25 Budget**

4. The draft 2024/25 budget attached at appendix 2 includes the same assumptions outlined in the budget paper on 23 October (see appendix 4). The main change between the draft deficit budget of £1.157m presented in October and the draft deficit budget of £1.288m presented in this paper is the increased employer contributions for National Insurance of £0.1m from 1 April 2025. It is not yet clear whether this will be funded by Government. The Quarter 1 reforecast exercise has not identified any other significant changes to be made. **The Board is asked to approve the revised draft budget deficit for 2024/25 of £1.288m at appendix 2.**

5. The draft 2024/25 budget at appendix 2 shows income of £25.313m and expenditure of £26.601m resulting in a deficit of £1.288m. The table below shows the summarised position.

	Budget 24/25	Unaudited 23/24	Variance
	£'000	£'000	£'000
Income	£25,313	£27,695	(£2,383)
Staff costs	(£18,868)	(£20,103)	£1,235
Non-staff costs	(£7,733)	(£8,545)	£812
<b>Surplus/(Deficit)</b>	<b>(£1,288)</b>	<b>(£953)</b>	<b>(£335)</b>
Depreciation	(£2,026)	(£2,026)	£0
<b>Profit/(Loss)</b>	<b>(£3,314)</b>	<b>(£2,979)</b>	<b>(£335)</b>

6. Since the last Board meeting two issues have arisen that should be highlighted to the Board.
7. The College has a trading subsidiary Air Services Training (AST), which is governed by a separate Board. The company has experienced financial difficulties over a prolonged period of time and the company's future financial sustainability is still uncertain. AST pays a management fee to UHI Perth of £100k per year to cover services provided such as professional services, printing and photocopying. UHI Perth pays AST approximately £280k per year rising to £440k in 2025/26, due to increased student numbers, for delivering aspects of the BSC Aircraft Maintenance Engineering and Management course.
8. UHI Perth cannot legally provide financial support to AST as a public body cannot support a private company but there has been a request from AST's General Manager and AST's Chair of the Board for UHI Perth to waive the management fee of £100k for 2024/25. UHI Perth has responded that, given our financial challenges, this will only be possible if we receive this funding from the EO. EO has not agreed to pay due to their financial sustainability issues but have suggested that UHI Perth could ask for an advance from the SFC of their 2025/26 grant award. This would effectively mean that UHI Perth would have a gap in our budget of £100k. **The Board is asked to agree whether to make a formal request to SFC for additional funding to cover the management fee.** This may not reflect well reputationally given the liquidity support that SFC has already provided.
9. UHI Perth received a capital fund (CDEL) of approximately £0.720m in 2024/25. In recent years the SFC has allowed the College sector to use this funding to pay for

revenue expenditure (RDEL) and the majority of this budget for UHI Perth is on repairs and maintenance, which are revenue items. The main item of capital expenditure that is known currently is for the lift (approximately £0.100m).

10. There has been informal discussion between SFC and the sector about the potential to change this practice so as CDEL can only be used for capital spend. The impact for UHI Perth and the whole of the College sector is that repairs and maintenance related to the estate will need to be funded from the revenue budget meaning that savings will require to be made elsewhere in the budget to accommodate this. This issue was flagged in the Scottish Government's budget in early December 2024 (see appendix 7 for a summary of the budget from College's Scotland) but it is not clear whether this will definitely be implemented, if it will be implemented during 2024/25 and if the full or part year will be implemented.
11. The worst case scenario for UHI Perth is that it is implemented for the full year. This issue has been discussed with the CFO from EO and this would result in an increase to the revenue budget deficit but an underspend in the capital budget. The spend has been included in the cashflow provided to the SFC and therefore wouldn't require further liquidity support. There is potential that SFC could clawback underspend from capital budgets but there is not clarity on this.
12. Indicative budget figures for 2025/26 (£0.768m deficit) and 2026/27 (£1.229m deficit) are included at appendix 2. Changes since the last Board paper are a result of the full year impact of the increase to the employer National Insurance contribution and reduced further staff cost savings to be made based on the updated view of realised savings in 2024/25.

### **Cashflow**

13. The cashflow at appendix 3 shows the position to the end of July 2025 based on the revised draft 2024/25 budget at appendix 2. Terms and conditions relating to liquidity support are set out in paragraph 2.

### **Risks**

14. 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.
15. The Perth Leadership Group will focus on identifying and mitigating risks to the budget. The Finance team will work with budget holders to regularly monitor income and costs and take action on any under/overspends. Any significant issues will be highlighted to the Board and the Executive Office of UHI.

**Recommendation**

16. It is recommended that the Board of Management approves the deficit budget of £1.288m. The deficit will be funded by liquidity support from the SFC.
17. During the year, the Perth Leadership Group will continue to work to reduce the budget deficit and regularly update the Board with the position.
18. It is recommended that the Board decides whether to make a formal request to SFC for additional funding of £100k to cover the management fee charged to AST.

## **Appendix 1 – Liquidity support letter from SFC**

11 December 2024

**Vicki Nairn**

Principal and Chief Executive  
University of the Highlands and Islands  
UHI House  
Old Perth Road  
Inverness  
IV2 3JH

Dear Vicki

**Liquidity Support**

I refer to the requests from your academic partners in receipt of liquidity support for sight of the Terms and Conditions relating to the liquidity support afforded to colleges in the UHI partnership.

As you are aware, this funding support has taken the form of advance of grant and is not additional funding. As such the normal Terms and Conditions attached to Grant-in-Aid apply but with the following additions:

1. The funding is to be applied to assist with colleges' liquidity challenges and so to secure financial sustainability and not be regarded as additional funding for new projects.
2. Colleges should be compliant with terms detailed in their respective Financial Memoranda with the University of the Highlands and Islands (UHI).
3. The advance of grant is repayable / recoverable from future grant-in-aid payments when college management accounts and cash-flow statements indicate these can be accommodated at that time.
4. In relation to the operation of the VS scheme at Moray College UHI the terms and conditions are as detailed in Richard Maconachie's letter to Vicki Nairn dated 2 April 2024. For repayment conditions, point 3 (above) applies.

I trust this provides both yourselves and your auditors with the comfort and clarity required.

Yours sincerely



**Richard Maconachie FCCA**  
Director of Finance

## Appendix 2 – Draft Budget 2024/25

	Draft Budget 24/25	Unaudited Actual 23/24	Variance	Forecast 25/26	Forecast 26/27
<b>Income</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>		
<b>Academic</b>					
FE Teaching Grant	8,487	8,740	(253)	8,487	8,487
Student Support	2,340	2,342	(2)	2,340	2,340
SFC/RSB Grants	874	1,031	(157)	874	874
HE Teaching Grant	6,676	7,065	(389)	6,676	6,676
Tuition Fees	2,980	2,964	17	2,980	2,980
SDS Contracts	535	1,429	(894)	535	535
	<b>21,893</b>	<b>23,571</b>	<b>(1,678)</b>	<b>21,893</b>	<b>21,893</b>
<b>Commercial</b>					
Catering/Residences	1,080	1,018	62	1,080	1,080
Other Income	1,639	1,974	(334)	1,639	1,639
ASW	700	682	18	700	700
	<b>3,420</b>	<b>3,674</b>	<b>(254)</b>	<b>3,420</b>	<b>3,420</b>
Non Govt Grants	0	450	(450)	0	0
<b>Total College Income</b>	<b>25,313</b>	<b>27,695</b>	<b>(2,383)</b>	<b>25,313</b>	<b>25,313</b>
Staff Costs	16,944	19,340	(2,396)	17,125	17,639
Contracts & Timesheet	1,101	764	337	847	858
VS & Pension Strain	823	0	823	221	0
<b>Total College Staff Costs</b>	<b>18,868</b>	<b>20,104</b>	<b>(1,236)</b>	<b>18,193</b>	<b>18,497</b>
Travel & Subsistence	221	232	(11)	225	229
Training & Other staff costs	153	174	(20)	156	159
Course costs & exam fees	1,413	1,757	(344)	1,441	1,470
Supplies & Services	262	361	(99)	267	272
ICT	765	876	(111)	780	795
Property costs	1,911	1,811	100	1,949	1,988
Legal & Admin	571	667	(96)	582	594
Bursary costs	2,340	2,548	(208)	2,387	2,435
Finance costs	98	120	(22)	100	102
<b>Total College Non-Staff costs</b>	<b>7,733</b>	<b>8,545</b>	<b>(812)</b>	<b>7,887</b>	<b>8,045</b>
<b>Net Surplus(Deficit)</b>	<b>(1,288)</b>	<b>(954)</b>	<b>(335)</b>	<b>(768)</b>	<b>(1,229)</b>



## Appendix 3 – Cashflow

	FY 24/25	FY 25/26	FY 26/27
	£k	£k	£k
Income	26,884	25,433	25,433
Staff costs	(20,424)	(18,193)	(18,497)
Non-staff costs	(7,805)	(7,959)	(8,117)
<b>Total cashflow</b>	<b>(1,344)</b>	<b>(720)</b>	<b>(1,181)</b>
Op Bal	1,539	194	(526)
Cashflow	(1,344)	(720)	(1,181)
<b>Closing Bal</b>	<b>194</b>	<b>(526)</b>	<b>(1,708)</b>

**Appendix 4 – Budget Assumptions****Income**

- Income is based on expected Govt/SFC funding to be received per the funding letter from UHI EO and an assumption of other income based on expected student numbers and commercial activity. Prudence has been applied as a general principle when making these assumptions.
- Student shortfall is based on latest view of HE student shortfall of 200. Income shortfall of £4,013 per student has been calculated with support from the Finance Team, Executive Office at UHI.

**Staff costs**

- Pay award has been included in full for 24/25 with the 1 September 24 award of £1,500 pro-rated to show 11 months.
- Staff costs are based on payroll records as of 1 October and have been adjusted to account for FTC end dates and known leavers. Current vacancies – which account for £587,440 of total staff costs - have been assumed to start on 1 November 2024 unless known start date applied.
- Contract and timesheet cost of £1.111m has been included in staff costs and this will be subject to further review and discussion as we complete the timetable audit with actions to be agreed by SLT.
- Voluntary Severance costs of £0.823m - including Pension Strain - have been included based on known and expected leavers in 24/25. Please note that individual consultation is ongoing and SLT will be considering actions and next steps once this has been completed.
- Pension strain of £0.223m is included in staff costs based on Professional Services staff over 55 who have left or are due to leave during the year under VS.

**Non-Staff Costs**

- Budget holders templates have been discussed on a line by line basis with SLT and all non-essential costs have now been removed.

**Cashflow**

- Cashflow includes £1.556m for the backdated academic pay award which was paid out in October 2024.

Cashflow includes £1.5m of liquidity funding now received from SFC which is repayable/recoverable only when we are able to generate a surplus. There is no interest charge applicable to this funding.

- The potential HE funding clawback of £0.803m has been deducted in July 25.

**Forecast 25/26 and 26/27 Assumptions**

- Income to be 'flat cash' in line with budget 24/25.
- Staff costs assume remaining £0.55m savings are actioned in 25/26. VS costs of £0.22m assumed to be incurred in 25/26.
- Pay award of 3% assumed in both years, noting expectation that SG will fund the additional 1.14% of the 4.14% Academic pay award in 25/26.
- Non-staff costs – inflation assumed at 2%.

## Appendix 5 – Budget 2024/25 and savings plan

### Board Update Paper – at 6 November 2024

#### Budget 24/25 and Savings Plan

At the meeting on 23 October 2024 the Board asked for further information following on from the discussion on the draft 2024/25 budget, as follows:

- Cashflow figures based on the indicative budgets for 2025/26 and 2026/27
- More information on the savings realised against the savings identified in the scenario paper that was agreed by the Board on 6 June 2024.

#### Cashflow

The table below shows budget 24/25 cashflow as well as forecast cashflow for 25/26 and 26/27. This is an indicative view and shows that we are likely to need liquidity support of ~£0.5m in 25/26 and ~£1.6m in 26/27.

	FY 24/25	FY 25/26	FY 26/27
	£k	£k	£k
Income	26,884	25,433	25,433
Staff costs	(20,390)	(18,159)	(18,461)
Non-staff costs	(7,805)	(7,959)	(8,117)
<b>Total cashflow</b>	<b>(1,311)</b>	<b>(686)</b>	<b>(1,146)</b>
Op Bal	1,539	228	(458)
Cashflow	(1,311)	(686)	(1,146)
<b>Closing Bal</b>	<b>228</b>	<b>(458)</b>	<b>(1,604)</b>

Assumptions are as per the draft budget Board paper with the addition of:

- Liquidity funding of £1.5m received in 24/25, of which £0.5m was received in October 2024.
- Increased Employers' National Insurance (ENI) costs arising from the Government's recent budget are included (pro-rated in 24/25 for 4 months). We have not had written confirmation on whether we are included in the public sector, and if so, whether ENI will be paid for by Government.
- Impact of the updated savings position (see below).

**Note:** figures for 25/26 and 26/27 do not include any repayment of the £1.5m liquidity funding loan.

## Savings Plan – Current Position

The table below summarises the savings plan agreed at Board on 6 June 2024 when total savings of £3.2m were agreed as the target.

Board Paper 6 June 2024	Staff Costs	VS Costs	Non-Staff	Prior VS
	Savings		Savings	Savings
	£k	£k	£k	£k
£3.2m Savings Target	2,200	1,100	300	1,700

## Staff Cost Savings – Actioned

Staff Costs Savings - Actioned	Note	FTE	Annualised £k	24/25 £k
Staff cost savings Identified	1	44.75	2,200	2,200
Actioned to date	2	31.64	1,818	1,646
Less:				
- Backfill	3	(4.86)	(133)	(132)
<b>Net Savings Actioned</b>	4	26.78	1,685	1,514
Savings Shortfall	5	17.97	515	686

## Notes:

1. These are the staff cost savings and related FTE that were recommended from the workstreams to be taken forward and actioned as agreed by Board.
2. This represents the annualised cost saving and impact in 24/25 as a result of those recommendations that have now been actioned.
3. Savings have been reduced by those roles which were backfilled where this was required to maintain the high level of learning experience.
4. This is the net savings position annually and impact in 24/25.
5. This is the known savings shortfall vs the targeted position based on actual and known leavers as reflected in the budget staff costs.

## Staff Cost Savings – In Consultation/Under Review

Staff Costs Savings - In consultation/ Under Review	Note	FTE	Annualised £k
In Consultation	6	3.58	207
Subject to review	7	2.60	97
Total Consultation/Under Review		6.18	304
Remaining shortfall	8	11.80	211
Vacancy Management savings	9	5.93	257
Additional staff costs	10	(4.00)	(178)
<b>Net Savings Shortall</b>	<b>11</b>	<b>9.87</b>	<b>132</b>

### Notes:

6. This reflects roles that remain in consultation and awaiting a conclusion.
7. This shows roles subject to ongoing review where an actionable decision is yet to be taken.
8. This reflects the savings shortfall (17.97FTE £515k annual) VS posts in consultation/ under review (6.18FTE £304k annual) assuming the above are actioned in full.
9. These are staff cost savings as a result of vacancy management for roles out with the workstream recommendations but included in the budget which remain unfilled.
10. These are additional roles, largely as a result of the staffing increase in Finance, which offset the savings made above.
11. This is the net savings shortfall vs the modelled view assuming all of the above are actioned in line with expectations. We will continue to seek further staff cost savings – **where the learning experience is not adversely impacted** - through vacancy management during the year with further VS remaining an option open to us until 31 July 2025.

## Voluntary Severance Costs

VS Costs	Note	Annualised £k	24/25 £k
VS Costs - Target	1	1,100	1,100
Actioned to date - VS	2	783	599
Actioned to date - Strain	3	499	267
VS cost (Overspend)/Shortfall	4	(182)	234
In Consultation	5	103	
Subject to review	5	49	
Total Consultation/Under Review		152	
VS Costs (Overspend)	6	(334)	

### Notes:

1. This is the VS cost assumed in the target model @ 50% of cost savings.
2. These are the VS costs incurred to date as a result of the savings actions taken and shows the impact annually and in 24/25, included in budget.
3. These are the pension strain costs incurred to date as a result of the savings actions taken and shows the impact in 24/25 included in budget.
4. This shows the VS cost overspend vs our target and is largely driven by additional pension strain costs not specifically included in the modelled view.
5. This has been estimated at 50% of the savings for roles currently in consultation or under review and does not include an assumption on pension strain as this would depend on personal circumstances.
6. This shows the VS cost overspend as a result of actions taken, roles in consultation and those under review.

**Non-Staff Costs**

The modelled view included £0.3m non-staff cost savings based on the recommendations from the workstreams. A number of these were excluded from the final proposed actions including the removal of hospitality courses, closure of the print room and a major overhaul of the Library. Examples of action taken which did result in non-staff cost savings include closure of the Nursery, opening late only 1 day per week and a reduced offering at the Goodlyburn refectory.

As noted at the Board meeting on 23 October, the budgeted non-staff costs have been fully reviewed and challenged and all non-essential spend has been removed. A significant portion of ICT spend is now on 'Break-Fix' and has already been noted as a significant risk to achieving our budget. The main lift in the Brahan building is broken and it is likely we will need to replace with a new one costing ~£0.1m, which has not been specifically included in the budget.

**Key factors in budget deficit vs modelled view**

Budget deficit for 24/25 of £1.2m when compared to modelled view of a £0.4m surplus drives a shortfall of ~£1.6m. The key significant factors in driving this shortfall are:

- **HE student numbers** – 200 FTE under our target drives an **£0.8m** income shortfall.
- **Savings shortfall** – the impact of the savings shortfall noted above in 24/25 is **~£0.7m**.
- **Pension strain costs** – modelled view assumed VS costs at 50% of savings which did not take account of pension strain costs. This drives **~£0.3m** shortfall.



## Appendix 6 – Additional information requests following the Board meeting on 23 October 2024

### Summary of Management Responses to Board Queries, November 2024

Initial Board Question	Initial Management Response	Follow-up Board Question	Follow-up Management Response
<p><u>HE Numbers (1)</u></p> <p>What is our forecast intake for Jan 2025 intake?</p>	<p>Forecast for Jan 2025 is 20 FTEs where we recruit additional part-time students, predominantly on an upskilling / CPD basis therefore the value of the FTE from January starts is minimal. (e.g. a part time student in January undertaking one module can draw down as little as 0.07 FTE, the highest would be 0.5 FTE).</p>	<p>i. Please can you clarify the use of "forecast" in respect of 20 FTE for January 2025 - is this the number of FTE that we have issued offers to?</p> <p>ii. What is our current application -to-offer percentage ?</p>	<p>i. This is part of our recruitment plan (when setting targets) and, yes, we will have commenced making offers (and inviting those to enrol online in preparation). We plan and recruit each year for January starts onto our BAH Childhood Practice. There will also be other students, due to their circumstances will be retaking modules in Semester 2 and are not due to commence their studies until Semester 2 – these are already on our system provisionally and a forecast has taken place on how many FTEs this will draw down. So, the 20 FTE figure includes what was initially in our plan as well as a forecast of knowing what students will be retaking modules in Semester 2. We are also currently co-ordinating what 'other' HE provision can realistically be offered in January, where applicants, if successful, can 'infill' into a classes and/or courses that are already running. Trend</p>

		<p>iii. What is our current offer-to-enrolment percentage ?</p>	<p>data informs us that January recruitment is more likely at FE level with very little, in addition to the previous bullet point, coming by way of HE.</p> <p>ii. Caution needs to be applied when acknowledging this figure, as one person can apply to several courses, total FT UG 'Funded 'new entrant' applications received = 2013. But only counting an applicant once, the true figure was 1791. It is also worth noting that those applying directly through UCAS, 182 subsequently accepted offers from other institutions (where for the most, we were only 'insurance' (their back up plan)). We made 1189 unconditional offers, therefore 59% against all applications received, or 66% against counting an applicant only once.</p> <p>iii. For new entrants our offer to enrolment is 87%</p>
Initial Board Question	Initial Management Response	Follow-up Board Question	Follow-up Management Response
<p><u>HE Numbers (2)</u> Can you contextualise that 200 FTE under</p>	<p>Our target HE students was 1,708 and was arrived at using a variety of intelligence including recruitment trend</p>	<p>i. The 1708 target - is this headcount or FTE?</p>	<p>i. 1708 is the FTE figure</p> <p>ii. The term continuing / progressing incorporates both</p>

<p>target? What was the actual target? Was the target achievable? At what point did we know we weren't going to meet target?</p>	<p>information, LMI data and discussions with continuing students. 39% of the shortfall (~80 FTE) is due to new recruitment and 61% (~120 FTE) is due to continuing/progressing students. We are continuing our investigation on the continuing students to try to understand the key drivers here. A key factor in this is that other Universities (such as Abertay) have lowered their entry requirements (more so at clearing in August) so students who had initially intended to study with us or had used us as their back-up have gone elsewhere. Some Universities also gave Unconditional offers to students without knowing if these applicants had met the entry requirements.</p>	<p>ii. Please can you clarify what the term "continuing / progressing students" means in a UHI Perth context - HE students moving between Degree Years transition to degree?</p> <p>iii. How many students self-released into Clearing in August 24? And how many students were acquired during Clearing in August 24?</p> <p>iv. Are you able to share a copy of the regular student recruitment numbers reports that</p>	<p>scenarios, those 'progressing' from HNC to Degree, HND to Degree; and those 'continuing' from HND Year 1 to HND Year 2 or Degree Years 1-4.</p> <p>iii. Clearing (which is managed by our UHI colleagues):</p> <ul style="list-style-type: none"> <li>○ We made 54 unconditional offers through clearing of which 6 declined</li> <li>○ There were 15 applicants who had been offered a place then released themselves into clearing, reasons being (3 x not being able to secure accommodation; 7 x went elsewhere as a preference; 4 x no longer wanting to attend university; 1 x unable to pay tuition fees)</li> </ul> <p>iv. At the Admissions/Recruitment Stage (this is monitoring the submission and tracking of applications)</p> <ul style="list-style-type: none"> <li>● Full-time 'New Entrant' At Risk Courses 2024/25 ( this spreadsheet does include all our 'new</li> </ul>
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		are issued to SLT?	<p>entrant' courses, where courses are categorised into a traffic light system, indicating level of risk.</p> <ul style="list-style-type: none"> <li>○ Sample email – Latest Recruitment Position</li> <li>○ Sample 2 email – Latest Recruitment Position</li> <li>○ Application summary report – shared weekly</li> </ul> <p>At enrolment stage (this is monitoring who has actually enrolled)</p> <ul style="list-style-type: none"> <li>○ Student Recruitment Against Target 2024-25</li> </ul>
Initial Board Question	Initial Management Response	Follow-up Board Question	Follow-up Management Response
<p><u>Pension Strain</u></p> <p>Is what is presented is the minimum level of overspend for VS costs?</p>	<p>Due to the small number of people involved in consultation / subject to review we felt it inappropriate to disclose potential strain cost for this cohort. The assumed VS cost at 50% of the saving will include at least an element of strain costs.</p>	<p>Board has already been presented with an unexpected additional cost in this area. It feels misguided to present another set of figures for decision making without an appropriate provision.</p> <p>The quoted VS Costs (Overspend) is at least £334k, but given the unaccounted for pension strain it will be higher. Are you able to give us any reassurance about the level of further overspend - does the £334k rise to £500k, £750k, £1M?</p>	<p>We do understand the point but we don't think it is appropriate to estimate strain costs when there are so few employees involved. We can say however that pension strain is a risk to the budget.</p> <p>For the Board's information, the Enhanced Voluntary Severance Scheme that UHI Perth has in place was based on modifications made in 2023. These modifications were approved by the Board of Management on 7 June 2023 and permission was given by the Board to submit the formal request to the Regional Strategic Body and then onwards to the SFC. The SFC also confirmed the expectation that separate SFC approval is required for any individual VS payments (including pension strain costs) where the payback period exceeds 24 months. This has been actioned by the College on two</p>

			occasions - the Remuneration Committee approves any Senior Leadership Team costs and the Board would approve other staff costs (see paper 5a on 6 June 2024). The SFC need to see this approval before they would approve.
<p><u>Phasing</u></p> <p>As we are already into FY24/25, and there are a number still in consultation &amp; subject to review, do we know what the phasing looks like?</p>	<p>As has been messaged previously, our plan remains to have these cases resolved by the end of the financial year on 31 July 2025.</p>	<p>On that basis, we shouldn't expect further savings in FY24/25, so these and the £152k + additional pension strain cost become considerations for FY25/26?</p> <p>Are these represented in the projections for FY25/26?</p>	<p>The savings and costs will depend on the year in which they take place. We have assumed that the savings that still to be made will not happen until 25/26 so have included them in the indicative budgets for that year along with the estimated VS costs of 50% as previously.</p> <p>There is a risk of pension strain costs and the Board would be asked to approve per the note above if they were outwith the agreed parameters.</p>

Initial Board Question	Initial Management Response	Follow-up Board Question	Follow-up Management Response
<p><u>Liquidity</u> Does the FY26/27 forecast of £1.6M deficit include a further £3.6M liquidity loan to pay back?</p>	<p>The figures stated are based on receiving £1.5m of liquidity funding in 24/25 with no payback assumed on the basis of continued deficits in 25/26 and 26/27. We are in regular communication with EO who (as RSB) are managing the dialogue and process with SFC for UHI as a whole.</p> <p>We have received no formal confirmation as to any terms if this was a loan, nor have they confirmed that they would not seek repayment. If this situation changes, we will inform the Board of the impact on our forecasts.</p>	<p>i. The Auditors will need to know the terms of the 'loan' before they sign off on going concern, so this does need to be bottomed out</p> <p>ii. Please clarify for what is the total amount of support we are looking for – is it £1.5M + £0.5M + £1.6M = £3.6M?</p> <p>iii. If the above is the case, what's the plan if (a) they say no to additional funding (b) this has to be paid back and we are predicting continuing deficits?</p>	<p>i. Management spoke with a senior member EO Finance to ask again for confirmation in writing from the Scottish Funding Council on the terms of the financial support. We have also asked EO to request a letter of comfort from SFC for going concern purposes, as last year. We do not know whether this will be two separate documents or included in the same communication. We are not the only partner in this position, including EO, so their Finance team will ask on behalf of the whole of UHI, although communications will be partner specific.</p> <p>ii. These figures are correct.</p>

## **Appendix 7 – Scottish Government 2025/26 Budget – Summary from Colleges Scotland**

## Scottish Draft Budget 2025/26 Analysis – December 2024

The Scottish Government published its [Draft Budget 2025/26](#) on Wednesday, 4 December 2024. The Draft Budget will not be finalised until it has gone through the Scottish Parliament's legislative process.

### Government Spending on Colleges

- The Scottish Government will **increase revenue funding** for the college sector, with the Draft Budget for 2025/26 provisionally confirmed as **£656.2.2m**. This represents an increase of **£12.3m** against the level of funding for 2024/25 of £643.0m, equivalent to **1.8%**.
- The Scottish Government has **reduced** current levels of **capital funding** for the college sector with the Draft Budget for 2025/26 provisionally confirmed as **£64.8m**. This represents a **reduction of £20.1m, or equivalent to 17%**, against the Budget for 2024/25. The final allocation of this funding is still to be confirmed and will be subject to further dialogue between the Scottish Government and Scottish Funding Council (SFC).

Below is the Level 3 breakdown of spending for the college sector in relation to the SFC:

	2024/25 £m	2025/26 £m
College Operational Expenditure	833.9	846.2
College Operational Income	(190.0)	(190.0)
Net College Resource	643.0	656.2
College NPD Expenditure	29.3	31.6
Net College Capital	84.9	64.8

### Key points to note in the Draft Budget include:

- Scottish Government to “continue to invest over £2 billion in Scotland’s colleges, universities and skills development programmes in recognition of their contribution to driving economic growth. We are protecting the right to free tuition and driving forward our commitment to Widening Access to encourage more learners to enter, sustain and progress in work”
- Scottish Government is “driving economic growth through its support for colleges, universities and the wider skills system. We are protecting the right to free tuition and driving forward our commitment to Widening Access. The budget prioritises financial assistance to students, supporting them to complete their studies in the face of significant cost-of-living pressures. The budget also supports adult learners – including parents and carers – to enter, sustain and progress in work, critical to our mission of eradicating child poverty”.
- The Scottish Government will provide “a £158 million uplift to support the Education and Skills Portfolio, including funding to reform our education bodies, additional investment to maintain teacher numbers, additional investment in Additional Support for Learning, further support delivery of 47 modern, state of the art schools through our Learning Estate Investment Programme by 2027-28”.
- Reduced investment in the SFC, from £1.95bn in 2024/25 to £1.92bn in 2025/26. SFC has seen an increase in administration costs from £7.6m in 2024/25 to £8.7m in 2025/26.
- Investment of £202.3m in Skills Development Scotland (SDS) for 2024/25. This represents a further reduction in the overall SDS budget, having seen a reduction from £209m to £202.4m between the 2023/24 and 2024/25 Budgets.



- Students Awards Agency for Scotland (SAAS) Operating Costs have seen increase from £14.1m in 2024/25 to £14.7m in 2025/26.

### **Education and Skills Portfolio Context:**

- The Lifelong Learning and Skills Budget has increased from £250.3m in 2024/25 to £255.2m for 2025/26.
- The Scottish Government has increased the Education Reform Budget from £53.5m in 2024/25 to £84.8m in 2025/26.
- Investment in Higher Education and Student Support has decreased from £1.5bn in 2024/25 to £794.7m in 2025/26. The Budget document highlights “there is a technical adjustment in AME and non-cash figures above which does not impact the fiscal resource and capital allocations”. Colleges Scotland will be seeking further clarity on this position.

### **Capital**

- Net College Capital funding has decreased to £64.8m from £84.9m in 2024/25 and £82.4m in 2023/24. Final details of allocations to institutions, and whether additional funding has been provided to mitigate the impact of Reinforced Autoclaved Aerated Concrete (RAAC), will be subject to further discussions between Scottish Government and the SFC.
- The Scottish Futures Trust will also see a further reduction in funding to £3.8m from £6.2m in 2024/25 and £11.6m in 2023/24.
- Overall Scottish Government Budget for Digital has decreased to £98m from £210.3m in 2023/24.

### **Net-Zero, Energy and Transport**

- The total Net Zero and Energy budget has increased from £899.6m up from £678.5m last year, marking an increase of £221m.
- As part of this the Offshore Wind Supply Chain Spending Plans equate to £162.5m for 2025/26, up from £9.7m for 2024/25, reflecting an increase of £152.8m.
- Funding for Energy Transitions has increased to £54.8m for 2025/26 from £48.1m in 2024/25.
- Total investment for Climate Change Spending Plans has been increased from £40.5m in 2024/25 to £72.9m in 2025/26.
- £7.7 million has been provided for Grangemouth to help secure a long term and sustainable future for the sit
- A further £25 million has been allocated “to support the energy transition, creating jobs across the supply chain”.
- The Scottish Government has also committed “over £300 million for the Heat in Buildings Programme, maintaining 2024-25 levels of investment. This will accelerate energy efficiency upgrades in homes and businesses across the country”.

Colleges Scotland  
December 2024

**Committee Cover Sheet**

Paper No. 3

<b>Name of Committee</b>	Board of Management
<b>Subject</b>	Internal Audit Annual Report 2023-24
<b>Date of Committee meeting</b>	18/12/2024
<b>Author</b>	Henderson Loggie, Internal Auditors
<b>Date paper prepared</b>	05/12/2024
<b>Executive Summary</b> Please provide a concise summary of the Paper outlining the purpose, impact and recommended future actions if approved	<p>Paper provides an Annual Report to the Board of Management on the provision of Internal Audit Services for 2023/24.</p> <p>Paper notes that the College has adequate and effective arrangements for risk management, control and governance, and that proper arrangements are in place to promote and secure Value for Money.</p> <p>Paper also notes that the College had made limited progress in implementing the internal audit recommendations followed-up as part of 2023/24 Follow Up reviews (as summarised on page 20 of the Report).</p>
<b>Committee Consultation</b> Please note which Committees this paper has previously been tabled at, and a brief summary of the outcomes/actions arising from this.	Previously scrutinised and approved at Audit Committee, 11/12/2024.
<b>Action requested</b>	<input checked="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)

## Committee Cover Sheet

<p><b>Strategic Impact</b></p> <p>Please highlight how the paper links to the Strategic Objectives of UHI Perth or the UHI Partnership: <a href="#">Strategic-Plan-2022-27.pdf</a></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><b>Resource implications</b></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><b>Risk implications</b></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><b>Equality &amp; Diversity</b></p> <p>Does this activity/proposal require an Equality Impact Assessment?</p> <p>If yes, please provide details.</p>	<p>No</p>
<p><b>Data Protection</b></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><b>Island communities</b></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**

<b>Status</b> (ie confidential or non-confidential)	<b>Non-Confidential</b> 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.
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**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](http://www.itspublicknowledge.info/web/FILES/Public_Interest_Test.pdf)

# UHI Perth

## Annual Report to the Board of Management and the Principal on the Provision of Internal Audit Services for 2023/24

Internal Audit report No: 2024/10

Draft issued: 2 December 2024

Final issued: 5 December 2024



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# Annual Report and Opinion

## Introduction

- 1.1 We were re-appointed in July 2021 as internal auditors of UHI Perth ('the College') for the period 1 August 2021 to 31 July 2024, with the option for the College to extend for a further two 12-month periods, subject to mutual agreement. This report summarises the internal audit work performed during 2023/24.
- 1.2 An Audit Needs Assessment (ANA), based on the areas of risk that the College is exposed to, was prepared as part of our internal audit programme for 2021/22 (internal audit report 2022/04, finalised on 24 May 2022). The ANA was prepared following discussion with senior management, the Chair of the Board and the Chair of the Audit Committee and review of key documentation. Following on from the ANA a Strategic Plan was formulated, covering the normal three-year internal audit cycle from 2021/22 to 2023/24 and this was approved by the Audit Committee at its meeting on 31 May 2022.
- 1.3 The work undertaken in the year followed that set out in the Strategic Plan for 2023/24.
- 1.4 The reports submitted are listed in Section 2 of this report and a summary of results and conclusions from each assignment is given at Section 3.
- 1.5 An analysis of time spent against budget is set out at Section 4.

## Public Sector Internal Audit Standards (PSIAS) Reporting Requirements

- 1.6 The College has responsibility for maintaining an effective internal audit activity. You have engaged us to provide an independent risk-based assurance and consultancy internal audit service. To help you assess that you are maintaining an effective internal audit activity we:
  - Confirm our independence;
  - Provide information about the year's activity and the work planned for next year in this report; and
  - Provide quality assurance through self-assessment and independent external review of our methodology and operating practices.
- 1.7 Self-assessment is undertaken through:
  - Our continuous improvement approach to our service. We will discuss any new developments with management throughout the year;
  - Ensuring compliance with best professional practice, in particular the PSIAS;
  - Annual confirmation from all staff that they comply with required ethical standards and remain independent of clients;
  - Internal review of each assignment to confirm application of our methodology which is summarised in our internal audit manual; and
  - Annual completion of a checklist to confirm PSIAS compliance.

## Public Sector Internal Audit Standards (PSIAS) Reporting Requirements (continued)

- 1.8 External assessment is built into our firm-wide quality assurance procedures. Henderson Loggie LLP is a member of Prime Global, a global association of independent accountancy firms. Continued membership of Prime Global is dependent on maintaining a high level of quality and adhering to accounting and auditing standards in the provision of our services. Annual quality reviews are conducted to confirm our continuing achievement of this quality. The independent review conducted in March 2019, when we were part of the MHA network, included our internal audit service. Overall, the review confirmed that the firm's policies and procedures relating to internal audit were compliant with the PSIAS in all material respects.

## Significant Issues

- 1.9 All work conducted in 2023/24 assessed systems as either 'Good' or 'Satisfactory' and provided an unqualified audit opinion on College returns. There were no significant issues identifying major internal control weaknesses arising from our internal audit work. In general, procedures were operating well in the areas selected, but a few areas for further strengthening were identified and action plans have been agreed to address these issues.
- 1.10 We found that the College had made limited progress in implementing the internal audit recommendations followed-up as part of our 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'.

## Opinion

- 1.11 In our opinion, with the exception of the follow up issues described in paragraph 1.10 above, 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.



## Reports Submitted

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	26 of 34 recommendations required further action	-	7	19

Overall gradings are defined as follows:

<b>Good</b>	System meets control objectives.
<b>Satisfactory</b>	System meets control objectives with some weaknesses present.
<b>Requires improvement</b>	System has weaknesses that could prevent it achieving control objectives.
<b>Unacceptable</b>	System cannot meet control objectives.



Recommendation grades are defined as follows:

<b>Priority 1</b>	Issue subjecting the organisation to material risk and which requires to be brought to the attention of management and the Audit Committee.
<b>Priority 2</b>	Issue subjecting the organisation to significant risk and which should be addressed by management.
<b>Priority 3</b>	Matters subjecting the organisation to minor risk or which, if addressed, will enhance efficiency and effectiveness.

## Summary of Results and Conclusions

### **2024/01 – Internal Audit Annual Plan 2023/24**

#### **Final Issued – March 2024**

The purpose of this document was to present for consideration by management and the Audit Committee the annual operating plan for the year ended 31 July 2024. The plan is based on the proposed allocation of audit days for 2023/24 as set out in the Internal Audit Strategic Plan 2021 to 2024. The preparation of the Strategic Plan involved dialogue with senior management, the Chair of the Board and the Chair of the Audit Committee, and it was approved by the Audit Committee at its meeting on 31 May 2022.

The outline scope, objectives and audit approach for each audit assignment to be undertaken, arrived at following discussion with the Vice Principal – Operations, were set out in the report. The outline scopes were refined and finalised after discussion with responsible managers in each audit area.

### 2024/02 – 2022/23 Student Activity Data

#### Final Issued – November 2023

In accordance with the Credits Audit Guidance, we reviewed and recorded the systems and procedures used by the College in compiling the returns and assessed and tested their adequacy. We carried out further detailed testing, as necessary, to enable us to conclude that the systems and procedures were working satisfactorily as described to us.

Detailed analytical review was carried out, including a comparison with last year's data, obtaining explanations for significant variations by Price Group.

Our testing was designed to cover the key risk areas identified at Annex C to Credits Audit Guidance.

Our report was submitted to the SFC on 19 October 2023. We reported that, in our opinion:

- the student data returns have been compiled in accordance with all relevant guidance.
- adequate procedures are in place to ensure the accurate collection and recording of the data; and
- we can provide reasonable assurance that the FES return is free from material misstatements

Three Priority 3 recommendations were identified from our audit testing for 2022/23 including that the College should: ensure that in-year data integrity checks of the FES data include a review of source of finance codes to ensure that fundable students are correctly classified; ensure that the required date input into SITS is calculated in line with the SFC guidance at a course level, and where relevant, at a student level; and in line with the College's internal procedures ensure that part-time fee waiver forms are retained in all cases to show the nature of the evidence presented by the students.



### 2024/03 – 2022/23 Student Support Funds

#### Final Issued – November 2023

For the 2022/23 academic year two specific fund statements were required for audit:

- Further Education Discretionary Fund, Further and Higher Education Childcare Fund and Bursary Return; and
- Education Maintenance Allowance Return.

The audit objectives were to ensure that:

- The College complies with the terms, conditions and guidance notes issued by SFC, SAAS and the Scottish Government;
- Payments to students are genuine claims for hardship, bursary or EMA, and have been processed and awarded in accordance with College procedures; and
- The information disclosed in each of the returns for the year ending 31 July 2023, is in agreement with underlying records.

We were able to certify both fund statements for the year and submit these to the SFC without reservation.

In addition, the following points were noted during the course of our audit:

#### Additional Support Needs (ASN) taxis

For one Bursary student in our sample who had received ASN taxis totalling £11,548 the College could not provide an application form. We were advised that the student withdrew from her course before the taxi applications were finalised. Management advised that the student in our sample was a returning student from the previous year and was viewed as a low-risk application. We recommended that the College ensure that Bursary applications are completed for all ASN students at the start of the academic year or prior to the provision of the service if they enrol later in the year.

#### Bursary study materials

Included within Bursary study expenses on the FES for 2022/23 was £43,429.28 relating to study materials purchased directly by the College and provided to Bursary students. For each College department there is a list showing the students funded and the unit cost / total charge. We selected the Beauty Therapy and Motor Vehicle departments for testing and agreed the students and amounts claimed to the FES. We also checked the unit prices to purchase invoices and / or purchase orders. For the NQ Beauty Therapy course, study costs for a kit were agreed to invoice. For Access to Beauty Therapy the same kit was used but the study costs were charged net of VAT giving rise to an underclaim. For two of the books sampled from courses in the Motor Vehicle department, we found that the costs charged for the student varied from the costs paid by the College (both over and under). We established that this was because the College had allocated the cost of the books to students at the RRP of the book, instead of the actual purchase price paid. Although these differences were minor, and overall there was an underclaim for our sample, the process could be improved and we recommended that the College ensure that study materials purchased directly by the College and provided to Bursary students are included in the FES at the actual purchase price to the College. To avoid this from happening in future, the Student Funding Adviser has asked the department to provide the 2023/24 purchase invoices, so that the funds can be allocated correctly.



2024/04 – Risk Management

The scope of the audit was to consider whether there are corporate procedures in place to adequately assess risk and minimise the possibility of unexpected and unplanned situations developing, which are in line with good practice.

The table opposite notes each separate objective for this review and records the results.

Strengths

- There has been significant work undertaken by management to establish an ERM Framework and identify strategic risks that would impact the College achieving its corporate objectives;
- Risk management arrangements are formally led by the Board of Management and were operationally led by the former VP Operations who has now retired from the College (March 2024). Moving forward it will be led by the new Depute Principal Operations and the Risk Management and Project Officer who worked closely with the former VP Operations on the new ERM Framework;
- The Audit Committee has delegated authority, on behalf of the Board of Management, to review all College strategic risks via the Risk Register at each of its quarterly meetings;
- The Board of Management reviews the College Risk Register twice per year. This analysis is supported by narrative reports on the risk management arrangements and with commentary on the assurances provided. The College risks are also reviewed by the Board of Management as part of its review and approval of the annual financial statements;
- The status of each risk is tracked within the new Risk Register and controls that are 100% complete are tested for effectiveness with the risk owners each quarter. Once internal control testing arrangements are fully embedded the College will further develop an assurance map across the three lines of defence;
- The Board of Management has set its risk appetite for 13 risk categories. In line with good practice, the Board is in the process of reviewing the appropriateness of the current risk appetite. The Board of Management is to review its risk appetite annually;
- Operationally, there is autonomy to develop subject specific risk registers. For example, the Health and Safety Risk Register or project risk registers. There were no major projects underway at the time of our audit;

Final Issued – May 2024

The objective of this audit was to obtain reasonable assurance that:	
1. There is a process in place to provide reasonable assurance to the Board of Management and to the Principal in relation to the declaration on risk required for the financial statements.	Good
2. The process in place applies good practice in risk management.	Good
3. Key risks have been identified and are being appropriately controlled, mitigated, reported, and discussed at appropriate levels of management and the Board.	Good
Overall Level of Assurance	Good



### 2024/04 – Risk Management (Continued)

#### ***Strengths (continued)***

- Risks are scored on a 5x5 matrix based on the likelihood and impact of the risk to the College before (inherent) and after (residual) mitigations are applied; and
- Positive feedback was provided on risk and assurance reporting arrangements to the Board of Management by both the Chair of the Board of Management and the Chair of the Audit Committee.

#### ***Opportunities for enhancement***

Work is still in progress to draft the revised Risk Management Policy. Activity was also underway to embed arrangements and develop processes which will allow challenge of the identified control environment by the Risk Management and Project Officer. Given that these issues are already in hand, no specific recommendations were raised in these areas. However, we did note the following points for improvement, which should be implemented to further strengthen risk management arrangements:

- The current cover paper for management reports, to the Audit Committee and the Board of Management, has a 'Risk Implications' section. However, the associated guidance does not instruct the author to identify the strategic risk and the associated risk appetite in drafting the paper; and
- The College has not been able to access UHI's Risk Register for several months to allow College review of any interdependencies or shared risks. The Depute Principal Operations should proactively contact the UHI Governance and Records Management Team at Executive Office to discuss the information requirements in relation to the UHI Risk Register.



### 2024/05 – Health, Safety and Wellbeing

This audit reviewed the arrangements in place within the College to deal with Health, Safety and Wellbeing. The main objective of this audit was to review the College's overall arrangements for dealing with Health, Safety and Wellbeing and to consider whether these are adequate and operating effectively in practice.

The table opposite notes each separate objective for this review and records the results.

#### Strengths

- A Health and Safety Policy is in place and available to all staff, students and stakeholders.
- A Health and Safety Policy Arrangements document is in place detailing the key processes.
- Risk identification and assessment procedures are in place for all College activities.
- Refresher training of mandatory Health and Safety modules is undertaken every three years.
- Training for new equipment is undertaken using the manufacturer's instructions with the Health, Safety and Wellbeing Adviser assisting the process owner where it is deemed necessary.
- Training for new legislation is undertaken with the Health, Safety and Wellbeing Adviser assisting the process owner.
- An internal audit program is in place, with audits conducted over all high-risk areas on an annual basis.
- Audit questionnaires and guidance for compliance is provided to all process owners in advance of the audit being conducted.
- An accident and incident recording and reporting process is in place at the College.
- The Accident and Incident form is available on the Health, Safety and Wellbeing area of each department's Sharepoint site.
- Investigation and follow up is undertaken for all accidents and incidents which require it.
- A Health, Safety and Wellbeing report is provided to the Health and Safety Committee which meets four times per year.
- A Health and Safety Operational Risk Register is maintained, which includes actions in place to minimise Health and Safety risks and any further action required. This is reviewed by the Health and Safety Committee quarterly and Audit Committee every six months.

### Final Issued – May 2024

The objective of the audit was to obtain reasonable assurance that the College has:	
1. A Health, Safety and Wellbeing policy and documented procedures which are communicated to all staff	Good
2. A formal risk identification and assessment process.	Requires Improvement
3. A Health, Safety and Wellbeing training programme which includes induction training, refresher training and training for new equipment and legislation.	Requires Improvement
4. Regular monitoring of Health, Safety and Wellbeing systems to ensure that they are functioning effectively including Health and Safety audits, carried out either internally or by external agencies such as the Health and Safety Executive.	Good
5. An incident and accident recording system with follow-up and implementation of new controls where required.	Good
6. Regular reporting of Health, Safety and Wellbeing to the College Senior Leadership Team and to the Board of Management.	Good
<b>Overall Level of Assurance</b>	<b>Satisfactory</b>





### 2024/05 – Health, Safety and Wellbeing (Continued)

#### ***Strengths (continued)***

- An annual Health and Safety report is provided to the Board of Management at the end of each academic year.

#### ***Weaknesses***

- From a sample of 10 risk assessments reviewed, it was noted that three of these had not been reviewed and updated annually in line with the College's procedures, and the date of manager review had not been recorded for another. Two of the risk assessments inspected were noted as having been prepared and reviewed by the same Technician, and although it was noted from discussions with the Health, Safety and Wellbeing Adviser that the Technician was sufficiently skilled to do so, the College's Policy includes the requirement for management review and sign off of each completed risk assessment.
- From inspection of the mandatory Health and Safety training report, it was noted at the time of the audit fieldwork that there were members of staff who had joined the College in the current academic year and whose probationary period (six months) had elapsed, who had not yet completed their mandatory training (completion rates between 72 and 79%). This mandatory training should be completed every three years by existing staff as a refresher however the report highlighted completion rates between 77 and 79% for all staff.



2024/06 – Cyber Security

This audit reviewed the arrangements in place, which are designed to ensure that the College has clearly identified the ICT / cyber security controls which the College is responsible for, and has taken appropriate steps to ensure that those controls are operating effectively. Controls that are managed by UHI IT and Digital Infrastructure (ITDI) were identified, but were not tested as part of this audit.

The table opposite notes each separate objective for this review and records the results.

**Strengths**

We assessed the College’s IT / cyber security controls against recognised good practice to confirm that the minimum expected controls are in place and to confirm that the College recognises and understands the split of responsibility for the organisational and technical IT / cyber security controls. From our review of responses provided by the College we confirmed that the College clearly understands the controls for which it is responsible for, and that processes are in place to monitor these, and those which are managed centrally by ITDI. We also confirmed that College ownership of controls is in line with the information provided by ITDI.

We noted that there was no Service Level Agreement (SLA) in place, which formally sets out the agreed services and their terms of provision between the ITDI and the College and other UHI Academic Partners. However, at the time of our audit fieldwork the UHI Director of ITDI was in the process of working with UHI Academic Partners to develop an SLA, although a timescale for completion of the SLA had not been identified at the time of our review.

**Opportunities for Improvement**

Whilst the risk of data corruption due to poor external (cyber) controls is noted on the Risk Register, with a mitigation to ensure a system of controls is in place to prevent cyberattacks that is reviewed and reported on a regular basis, there is no regular reporting of cyber security arrangements to the Audit Committee and to the Board. Discussions relating to cyber security have been limited to the review of the ERM Report and any related changes to the College risk appetite (in relation to cyber risks) by the Audit Committee. We have recommended that the College’s cyber risk management approach should be regularly communicated to management and to the Board, so that they have a sufficient understanding of how cyber security risks should be managed and to help them make decisions about how to best manage these risks.

Final Issued – September 2024

The objective of the audit was to ensure that:	
1. Responsibility for the organisational and technical IT / cyber security controls protecting the College’s systems and data has been clearly defined between the College and the UHI ITDI team.	Satisfactory
2. IT / cyber security controls managed by the College are being monitored and are operating effectively.	Good
3. There is appropriate IT / cyber security assurance reporting to the College Board.	Satisfactory
Overall Level of Assurance	Satisfactory



### 2024/06 – Cyber Security (Continued)

#### ***Opportunities for Improvement (continued)***

It is good practice for updates on the cyber threat landscape, events, actions and plans surrounding cyber security within the College and wider education sector to be reported regularly to the Senior Leadership Team, Perth Leadership Group and to the Board, for example at least every six months. Reporting should include a summary of the top-rated cyber risks for the College and details of mitigations already in place and those which are planned to address known or emerging threats.



## 2024/07 – ICT and Digital Transformation Strategy Implementation

This audit included a review of processes for the development of the Digital Transformation Strategy within the College. We reviewed the adequacy and effectiveness of the governance, processes and risk management over the definition, maintenance and delivery of the Strategy designed to help the College meet its objectives and maximise the benefits of digital initiatives for the organisation. A key focus of our review was to ensure that there is adequate internal and external stakeholder engagement and the extent to which the strategy addresses their requirements.

The table opposite notes each separate objective for this review and records the results.

### Strengths

- The College ICT and Digital Transformation Strategy 2022-2025 sets out a framework for the use of digital technologies to support the College's strategic, business and learning objectives. The Strategy has been aligned with and developed to support the delivery of the UHI Perth Strategy 2022-2027.
- We noted that a key underlying theme of the ICT and Digital Transformation Strategy relates to technology architecture, where the focus is to design, develop and maintain a technology infrastructure to support the current and future digital needs of the College, and to improving the digital capabilities of both staff and students.
- Structures have been implemented to ensure that appropriate staff groups are engaged in reviewing processes to identify opportunities to work smarter, more efficiently and more collaboratively with both internal and external stakeholders. A Continuous Improvement team has been established to identify process improvement opportunities to support digital transformation, however the Business Systems Developer post holder resigned earlier in the year and recruitment for the role is underway. Further resource previously identified for the team has not transpired.
- Review of business cases for implementing new technology and systems includes consideration of compatibility with existing infrastructure, systems, and technology, as well as future planned projects. The project monitoring process ensures that projects remain strategically aligned and on track to deliver the intended benefits.

## Final Issued – September 2024

The objective of the audit was to obtain reasonable assurance that:	
1. A technology infrastructure has been implemented to enable and support the achievement of the Digital Transformation Strategy.	Requires Improvement
2. Appropriate governance structures are in place which ensure that business and organisation wide project plans relating to data, systems and services, and technology are aligned to support the achievement of the Digital Transformation Strategy.	Good
3. All internal and external stakeholders have been identified and formally engaged with to ensure that the Digital Transformation Strategy meets stakeholder expectations for technology utilisation and process objectives.	Satisfactory
4. There is clear alignment of the Digital Transformation Strategy objectives with Strategic Plan and supporting strategies objectives.	Good
5. Staff, students and other stakeholders are supported in developing digital skills to ensure access and inclusion are maintained.	Requires Improvement
6. There is regular reporting to stakeholders on progress with achieving the Digital Transformation Strategy.	Good
<b>Overall Level of Assurance</b>	<b>Satisfactory</b>



### 2024/07 – ICT and Digital Transformation Strategy Implementation (Continued)

#### ***Weaknesses and Opportunities***

Reductions in Scottish Funding Council (SFC) funding, which has been experienced during the period covered by the ICT and Digital Transformation Strategy, and pressures on internal budgeting arrangements due to competing priorities and cost pressures, has meant that the College has faced significant challenges in identifying the level of resources required to support the ICT and Digital Transformation Strategy, and also maintain existing systems and equipment. This spans investment in systems, applications, and digital tools, which are now being increasingly adopted across the sector for staff and students, but have yet to be fully implemented by the College due to these financial pressures. It also includes investment in the IT infrastructure which underpin these services, and also the organisational structures and training for digital users.

At the time of our review, we noted that 60 Windows 10 devices were being used in the delivery of learning and teaching. These devices will reach the end of their useful life within the next 12 months. Currently, these devices are already incompatible with all platforms and applications used by the College. A significant number of devices deployed utilise older generation processors, which impacts on speed and performance, and square monitors with poor resolutions are in use in ICT suites which is creating a significant variation in the student experience of ICT services, and student digital skills development, as they prepare for the workplace.

We noted during a campus visit to Perth that the College has, as far as possible given the limited resources available to invest in new equipment, attempted to make available a minimum specification of equipment in each teaching space to enable effective digital learning. However, we also noted that the type, age and condition of equipment available across the Perth campus varies significantly.



### 2024/07 – ICT and Digital Transformation Strategy Implementation (Continued)

#### ***Weaknesses and Opportunities (continued)***

College management has previously identified that teaching spaces are not being utilised efficiently. One of the factors that has been identified is the lack, or unsuitability, of digital learning equipment available in some spaces. We were advised that this situation has led to staff to avoid using these spaces, thus placing greater demand on other teaching spaces. A consequence of teaching activity delivered in teaching spaces, which are not equipped with appropriate ICT equipment, is that staff are not required to make best use of their digital skills in the classroom and this may also deter some staff from developing digital skills due to the lack of equipment to effectively utilise those skills. ICT, Estates and Learning & Teaching teams were discussing a potential project to undertake a further review of teaching spaces with a view to standardising the age, type and condition of ICT equipment fitted in all learning spaces.

The expectation amongst employers is that students leaving the College and entering the workplace must do so with at least a basic understanding of digital skills. However, the expectation levels of employers is increasing due to the pace of advancement in digital technology. By not making the best use of digital resources and tools in the design of the curriculum delivery, there is a real risk that students will not be as well equipped for employment, or advancement to higher education or training as students are from other institutions, including other UHI partners. This may represent a reputational risk for the College due to a negative student experience, and ultimately a reduction in enrolments, Credits and income. The Director of Teaching, Learning and Quality Enhancement is responsible for ensuring academic staff utilise their digital skills appropriately and effectively in curriculum design and delivery. Usage of the Virtual Learning Environment (VLE) and other College digital platforms is to be monitored during 2024/25 to gauge the impact on curriculum delivery and inform future decisions regarding investment in digital infrastructure and training.

It is clear that further investment in ICT equipment, beyond the levels already confirmed in the 2024/25 budget, is required. Whilst we would normally recommend that an ICT resource review was undertaken to support a business case for allocating additional College funds to improve ICT equipment, we have not raised a recommendation at this time due to the limitations of SFC funding and College funding availability.

## 2024/08 – Fraud Prevention, Detection and Response

This scope of this audit was to carry out a review of the corporate-wide anti-fraud framework in place within the College.

The table opposite notes each separate objective for this review and records the results.

### Strengths

- All College policies and procedures are available to all staff, students and stakeholders via the College's website.
- The College has a fraud investigation procedure in place, which defines the steps to be undertaken should a suspected fraud be identified, including the formation of an investigation team.
- Training is in place, at the point of staff induction, to aid staff understanding of anti-bribery and cyber security processes.
- Controls are in place for mitigating the risk of misappropriation of College assets, with these risks managed at an operational level.
- Controls are in place to mitigate the risk of IT related fraud, with regular updates on prevalent threats provided to staff and students.
- The College's IT systems are maintained, monitored and regularly updated to reduce the risk of external threats.
- The College's SLT is responsible for ensuring that there is an open culture in place at the College to help ensure transparency in all its activities.

### Action In Progress

- The College is in the process of reviewing its credit card payment processes, to ensure that only those with a requirement for a credit card have access to one, and that any spend is only undertaken when there is no alternative payment method.
- Responsibility for the National Fraud Initiative (NFI) exercise has now moved to the Depute Principal Operations and the Finance Director who, going forward, have indicated that they will engage with the External Auditors to improve the quality of information provided.
- The College's Estates team is in the process of implementing the Trackplan system, on which it will document all its assets, their location and any service / maintenance dates, which will form part of the fraud prevention processes as assets will be centrally monitored.

## Final Issued – September 2024

The objectives of the audit were to ensure that:	
1. Anti-fraud policies and procedures exist within the College that are in line with best practice.	Satisfactory
2. Clear leadership, roles and responsibilities have been set out for implementation of the anti-fraud framework.	Satisfactory
3. There is a process in place to assess the nature and extent of the College's exposure to potential external and internal risks of fraud.	Requires Improvement
4. Anti-fraud policies and procedures are embedded and understood throughout the College through appropriate training and communication.	Satisfactory
5. The College has put in place a process to monitor and review procedures designed to prevent fraud and make improvements where necessary.	Satisfactory
6. There are clear procedures for employees and Board of Management members to raise concerns or whistleblow if they believe there has been fraud or other wrongdoing within the College.	Satisfactory
7. Appropriate procedures are in place for the investigation and reporting of a fraud.	Good
<b>Overall Level of Assurance</b>	<b>Satisfactory</b>



### 2024/08 – Fraud Prevention, Detection and Response (Continued)

#### **Action In Progress (continued)**

- The College's HR system is at the end of its contract at the time of this review and, as such, was not updated to implement multi-factor authentication measures, however this contract is now being extended and MFA will now be put in place.

#### **Weaknesses**

- The College's Fraud Prevention Policy and Response Plan requires to be updated to reflect the current roles and responsibilities for managing the risk of fraud within the College, including an update to assign a fraud champion within the College to act as a reference point for staff.
- The College has not undertaken a fraud specific risk assessment to formally identify and document the key fraud risks and the controls in place to manage them.
- The College's Whistleblowing Policy does not define an independent party to contact for reporting suspected fraud, and the communication methods are not reflective of the current processes in place within the College.
- There is no programme of targeted fraud specific staff training, which is relevant to specific roles, for those working in high-risk roles.
- The College does not have an anti-money laundering policy in place.





### 2024/09 – Follow-Up Reviews

#### Final Issued – November 2024

As part of the Internal Audit programme at the College for 2023/24 we carried out a follow-up review of the recommendations made in the following Internal Audit reports finalised during 2022/23, which included recommendations from earlier reports where previous follow-up identified that the recommendations were outstanding:

- Internal Audit Report 2023/04 – Follow Up Reviews 2022/23;
- Internal Audit Report 2023/05 – Performance Reporting / KPIs;
- Internal Audit Report 2023/06 – Procurement and Creditors / Purchasing – Sustainable Procurement;
- Internal Audit Report 2023/07 – Data Protection; and
- Internal Audit Report 2023/09 – Business Continuity.

The objective of each of our follow-up reviews was to assess whether recommendations made in previous reports had been appropriately implemented and to ensure that where little or no progress had been made towards implementation, that plans were in place to progress them.

The College has made limited progress in implementing the recommendations followed-up as part of this review with six of 34 (18%) recommendations being categorised as 'fully implemented'. 15 recommendations (44%) were assessed as 'partially implemented' and 11 recommendations (32%) assessed as 'little or no progress made', these recommendations will be subject to follow-up at a later date. Two recommendations (6%) were assessed as 'Considered but not implemented': in internal audit report 2022/05 – Partnership Working (included in 2022/23 Follow Up Reviews) we recommended that an agreement for use of Microsoft Dynamics CRM should be reached with UHI that is mutually beneficial to both parties. Follow-up in November 2023 noted that a review of all commercial activities at UHI Perth was being undertaken and due to complete in March 2024. In relation to a CRM system, Raisers Edge was already in place and had been identified as a more optimal system than MS Dynamics. The adoption of Raisers Edge was to be confirmed on completion of the review. At October 2024, management advised that given the changes to the organisational structure at UHI Perth since this audit was conducted and current staffing levels within the Business Engagement Team, this recommendation will not be taken forward at this time. Report 2022/05 also recommended that UHI and UHI Perth management mutually agree the financial arrangements between parties. At October 2024, work is ongoing to create an Outline Business Case on a future structure of UHI, which will supersede this action.



## Annual Internal Audit Report 2023/24

### 2024/09 – Follow-Up Reviews (Continued)

Our findings from each of the follow-up reviews has been summarised below:

From Original Reports			From Follow-Up Work Performed				
Area	Rec. Priority	Number Agreed	Fully Implemented	Partially Implemented	Little or No Progress Made	Not Past Agreed Completion Date	Considered But Not Implemented
2023/04 – Follow Up 2022/23	1	-	-	-	-	-	-
	2	10	3	3	3	-	1
	3	11	3	5	2	-	1
<b>Total</b>		<b>21</b>	<b>6</b>	<b>8</b>	<b>5</b>	<b>-</b>	<b>2</b>
2023/05 – Performance Management and KPIs	1	-	-	-	-	-	-
	2	-	-	-	-	-	-
	3	1	-	1	-	-	-
<b>Total</b>		<b>1</b>	<b>-</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>
2023/06 – Procurement and Creditors	1	-	-	-	-	-	-
	2	1	-	-	1	-	-
	3	5	-	3	2	-	-
<b>Total</b>		<b>6</b>	<b>-</b>	<b>3</b>	<b>3</b>	<b>-</b>	<b>-</b>
2023/07 – Data Protection	1	-	-	-	-	-	-
	2	-	-	-	-	-	-
	3	3	-	1	2	-	-
<b>Total</b>		<b>3</b>	<b>-</b>	<b>1</b>	<b>2</b>	<b>-</b>	<b>-</b>
2023/09 – Business Continuity	1	-	-	-	-	-	-
	2	-	-	-	-	-	-
	3	3	-	2	1	-	-
<b>Total</b>		<b>3</b>	<b>-</b>	<b>2</b>	<b>1</b>	<b>-</b>	<b>-</b>
<b>Grand Totals</b>		<b>34</b>	<b>6</b>	<b>15</b>	<b>11</b>	<b>-</b>	<b>2</b>



## Time Spent - Budget v Actual 2023/24

	Report number	Planned days	Actual days feed	Days to fee at Nov 2024	Days to spend / WIP	Variance
<b>Reputation</b>						
<i>Health, Safety and Wellbeing</i>	2024/05	5	5	-	-	-
<b>Financial Issues</b>						
<i>Fraud Prevention, Detection and Response</i>	2024/08	4	4	-	-	-
<b>Organisational Issues</b>						
<i>Risk Management</i>	2024/04	5	5	-	-	-
<b>Information and IT</b>						
<i>Cyber security</i>	2024/06	5	5	-	-	-
<i>ICT and Digital Transformation Strategy implementation (with specific focus on digital capability)</i>	2024/07	4	4	-	-	-
<b>Other Audit Activities</b>						
Credits Audit	2024/02	5	5	-	-	-
Bursary, Childcare and Hardship Funds Audit	2024/03	4	4	-	-	-
EMA Audit	2024/03	1	1	-	-	-
Management and Planning )	2024/01	3	3	-	-	-
External audit / SFC )	& 2024/09					
Attendance at Audit Committee )						
Follow-up reviews		2	2	-	-	-
<b>Total</b>		<u>38</u> =====	<u>38</u> =====	<u>-</u> =====	<u>-</u> =====	<u>-</u> =====



## Operational Plan for 2024/25

- 5.1 Following the decision to invoke the extension period on the current internal audit contract, the decision was taken to develop a two-year internal audit programme, which is aligned to the extension period. The annual plan is based on the proposed allocation of audit days for 2024/25 as set out in the Internal Audit Strategic Plan 2024 to 2026. The preparation of the Strategic Plan involved dialogue with the Perth Leadership Group and was discussed at the Audit Committee meeting on 28 May 2024 and approved at the meeting on 9 October 2024.
- 5.2 An extract from the Strategic Plan, in relation to 2024/25, is attached.

## Proposed Allocation of Audit Days

	Category	Priority	Planned 24/25 Days
<b>Reputation</b>			
<i>Publicity and Communications</i>	Gov	H	5
<i>Health and Safety / Wellbeing</i>	Gov	H	
<b>Student Experience</b>			
<i>Curriculum</i>	Perf	M	
<i>Quality</i>	Perf	M	
<i>Student support</i>	Perf	M	
<i>Student recruitment and retention</i>	Fin/Perf	M/H	
<i>Student welfare – Duty of Care</i>	Perf	M	
<i>Students' Association</i>	Gov	M	5
<b>Staffing Issues</b>			
<i>Staff recruitment and retention</i>	Perf	M	
<i>Staff development</i>	Perf	M	
<i>Payroll</i>	Fin	M/H	
<i>Teaching staff utilisation BPR</i>	Perf / Fin	M	
<i>Integrated HR/Payroll system implementation?</i>	Gov/ Fin	H	
<b>Estates and Facilities</b>			
<i>Building maintenance</i>	Fin/Perf	M/H	
<i>Estates strategy / Estates projects</i>	Fin/Perf	M	
<i>Space management / room utilisation BPR</i>	Perf	H	
<i>Asset / fleet management</i>	Perf	M	
<b>Financial Issues</b>			
<i>Budgetary control</i>	Fin	M	
<i>Student invoicing and debt management</i>	Fin	M	
<i>General ledger</i>	Fin	L	
<i>Procurement and creditors / purchasing – Sustainable procurement</i>	Fin	M/H	
<i>Debtors / Income</i>	Fin	M/H	
<i>Cash &amp; Bank / Treasury management</i>	Fin	M	
<i>Fraud Prevention, Detection and Response</i>	Fin	M	
<i>Financial sustainability</i>	Fin	H	5
<i>General review of Financial Controls</i>	Fin	H	7



## Proposed Allocation of Audit Days (Continued)

	Category	Priority	Planned 24/25 Days
<b>Commercial Issues</b>			
<i>Business Development</i>	Fin/Perf	M	
<i>External Activities</i>	Gov/Fin/Perf	M	
<b>Organisational Issues</b>			
<i>Risk Management</i>	Perf	M/H	
<i>Business Continuity</i>	Perf	M	
<i>Corporate Governance</i>	Gov	M	
<i>Corporate Planning</i>	Perf	M	
<i>Performance reporting / KPIs</i>	Perf	M/H	
<i>Partnership Working (incl. Regional Engagement)</i>	Gov/Perf	H	
<i>International Activity</i>	Gov/Perf	H	5
<i>Equality, Diversity, and Inclusion</i>	Gov	L	
<i>Environmental Sustainability</i>	Gov/Perf	M	
<b>Information and IT</b>			
<i>Cyber security</i>	Perf	M/H	
<i>Data protection / records management</i>	Gov	H	
<i>FOI</i>	Gov	M	
<i>ICT and Digital Transformation Strategy implementation (with specific focus on digital capability)</i>	Perf	M/H	
<i>Licencing</i>	Perf	L	
<b>Other Audit Activities</b>			
Credits Audit	Required		6
Bursary, Childcare and Hardship Funds Audit	Required		5
EMA Audit	Required		1
Management and Planning )			3
External audit / SFC )			
Attendance at Audit Committee )			
Follow-up reviews			3
Audit Needs Assessment			1
<b>Total</b>			46
			=====

**Category:** Gov – Governance; Perf – Performance; Fin – Financial

**Priority:** H – High; M – Medium; L – Low



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**Committee Cover Sheet**

Paper No. 4

<b>Name of Committee</b>	Board of Management
<b>Subject</b>	Principal's Report
<b>Date of Committee meeting</b>	18/12/2024
<b>Author</b>	Margaret Cook
<b>Date paper prepared</b>	13/12/2024
<b>Executive Summary</b> Please provide a concise summary of the Paper outlining the purpose, impact and recommended future actions if approved	Paper provides a summary of Principal's activities for Board information. Key items noted include: <ul style="list-style-type: none"><li>• UHI Issues/Engagement</li><li>• National College Issues</li><li>• Colleges Scotland</li><li>• Internal/External campus planning</li></ul>
<b>Committee Consultation</b> Please note which Committees this paper has previously been tabled at, and a brief summary of the outcomes/actions arising from this.	n/a
<b>Action requested</b>	<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)
<b>Strategic Impact</b> Please highlight how the paper links to the Strategic Objectives of UHI Perth or the UHI Partnership: <a href="#">Strategic-Plan-2022-27.pdf</a>  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**

<b>Resource implications</b> Does this activity/proposal require the use of College resources to implement? If yes, please provide details.	No
<b>Risk implications</b> 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.
<b>Equality &amp; Diversity</b> Does this activity/proposal require an Equality Impact Assessment? If yes, please provide details.	No
<b>Data Protection</b> Does this activity/proposal require a Data Protection Impact Assessment? If yes, please provide details.	No Click or tap here to enter text.
<b>Island communities</b> 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.
<b>Status</b> (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**

**Committee Cover Sheet**

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](http://www.itspublicknowledge.info/web/FILES/Public_Interest_Test.pdf)

## **UHI Perth – Board of Management 18 December 2024**

### **Principal's Report**

#### **UHI Issues/Engagement**

Clearly the biggest issue within the college and the partnership is the continued change process, I have been involved in a number of Transition Executive Board meeting which has been working on the Outline Business Case which will be discussed by the Board at its meeting on 28 January 2025.

The need for change is becoming more urgent given the financial position of many of the partners including UHI Perth and the Executive Office of UHI. The process continues to be contentious given the options and the balance of work which will be required to deliver the necessary changes. All of these issues will be open for discussion.

In terms of other engagement with UHI, the Chair and I were invited to the University Court Strategy Day to present on the issues we face as UHI Perth and to engage in a discussion on the issues. The Board have received a copy of the presentation which was given.

We have a visit from the two UHI Deans on Monday 16 December which is an opportunity for our senior staff to engage with the Deans and to ensure that they are aware of the issues in Perth and the support that we need from the Deans/Associate Deans to move our academic delivery forward.

#### **National College Issues**

The budget was presented in the Scottish Parliament on 4<sup>th</sup> December and the impact of the announcements are being interrogated by Colleges Scotland as the budget information is still being discussed although it is fair to say that the sector is disappointed in the announcements, the revenue funding for the sector will increase by £12.3m (1.9%) against the 24/25 funding along with a reduction in capital funding of £20.1m (c25%).

Colleges Scotland will continue to lobby for an improved settlement for the sector and all colleges have been asked to engage with their local MSP's early in the New Year to amplify the potential impact of these cuts on the locality. We will invite our MSP's in to have this discussion and I will feedback to the Board on this engagement.

## **Colleges Scotland**

There have been significant changes in CS, and I have met with the Interim Chief Executive in the college to explain our activities and show him round the college, significant work was done by CS and Principals to prepare for the budget announcement and now to respond to the announcement. All colleges have been asked to host all of their MSP's in early January to discuss the consequences of the budget if there are no amendments as it passes through the committee stages. We will invite our MSP's into college.

College Employers Scotland are currently considering how we take forward the next round of negotiations with our Trade Unions, Academic Staff settlements run to 31 August 2026, and Professional Staff till 31 August 2025.

## **Internal/External campus planning**

Given the number of staff who have left we have been looking at how to maximise the usage of space on the campus, we have a number of areas which are currently empty and looking to maximise their usage. Having visited AK Bell Library with PKC we are keen to continue discussions on the wider space issues, I am meeting the Chief Executive again early in the new year.

## **Summary of other issues**

Staff conference – November staff conference was successful and very well attended.

Staff coffee events – we have run a series of monthly staff coffee events to give staff the opportunity to meet together informally and to discuss issues with SLT/PLG members.

Employer engagement event – the Business Engagement Team ran a half day employers event to engage with employers who we don't normally engage with, this was attended by c50 people and all of the follow up work is ongoing to see what we can offer to the business community.

Jisc VLE review – Jisc provides all colleges/universities with the platforms to deliver their ICT services and one of these services is the Virtual Learning Environment (VLE), we had a very interesting review of our use of the VLE and are currently implementing the recommendations from this.

Quality Review – the Scottish Government has implemented a new quality regime for colleges moving it to a more tertiary process and this work will be undertaken by the Quality Assurance Agency (QAA) going forward, this is a change from the Education Scotland inspections that we have always had. We have recently completed our Self Evaluation & Action Plan (SEAP) for the first round of engagement which for UHI Perth will be in academic year 27/28.

360 review process – members of SLT and PLG have recently completed a 360 process and the outcomes from this will form part of the annual PDR process.

International – we have had visits from two of our international partners, Henan University of Urban Construction (HUUC) and Nanchang Institute of Technology (NIT), these visits allow our partners to see our facilities and to engage with our academic staff and senior staff to discuss future business development.

Tay Cities Deal (TCD) – we have been doing further work on the parts of TCD we are involved in particularly in relation to Hospitality and also in future developments for the Aviation/Stem aspects of the deal, discussions are ongoing on this.

The college is closed for the break from 20 December to 6 January 2025.

## Committee Cover Sheet

Paper No. 5

<b>Name of Committee</b>	Board of Management
<b>Subject</b>	HISA Perth Update
<b>Date of Committee meeting</b>	18/12/2024
<b>Author</b>	HISA Perth
<b>Date paper prepared</b>	15/11/2024
<b>Executive Summary</b> Please provide a concise summary of the Paper outlining the purpose, impact and recommended future actions if approved	Paper provides an update on key HISA Perth activities
<b>Committee Consultation</b> Please note which Committees this paper has previously been tabled at, and a brief summary of the outcomes/actions arising from this.	Paper previously presented to Learner Experience Committee, 20/11/2024
<b>Action requested</b>	<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)
<b>Strategic Impact</b> 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.	n/a  In line with HISA strategy

**Committee Cover Sheet**

<b>Resource implications</b> Does this activity/proposal require the use of College resources to implement? If yes, please provide details.	Yes/ No
<b>Risk implications</b> 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.
<b>Equality &amp; Diversity</b> Does this activity/proposal require an Equality Impact Assessment? If yes, please provide details.	Yes/ No
<b>Data Protection</b> Does this activity/proposal require a Data Protection Impact Assessment? If yes, please provide details.	Yes/ No Click or tap here to enter text.
<b>Island communities</b> 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.
<b>Status</b> (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](http://www.itspublicknowledge.info/web/FILES/Public_Interest_Test.pdf)



# Highlands and Islands Students' Association Update October 2024

## Executive Committee Updates

"Feel Fab February" - this month will include in person and online events to promote good mental health and wellbeing being organised by HISA officers. There will also be a targeted campaign to the government as well to ensure that students are getting effective support, and there is appropriate funding put into mental health services for students.

HISA Executive, led by VP Education has been taking part in the NUS Scotland Housing Campaign where we are advocating for the Scottish Government to safeguard housing rights for students.

HISA Executive, led by the HISA President are taking part in the Save our Scottish Universities campaign that has been relaunched by St Andrews University Student Union. This will include the HISA President signing the open letter that will be set to the First Minister, Finance Secretary and Minister of Further and Higher Education demanding that the sector is appropriately funded. William has made representations at the campaign to ask that the campaign is more tertiary focused as UHI is a tertiary partnership.

On the student officer front, HISA has now filled 15 of the 16 officer roles across the Partnership and is making plans to induct the very newest set of officers into their roles.

## Student Voice Representation Update

As of 13.11.24 there are 183 registered SVRs at Perth, 58 of which have been trained. HISA ran 3 weeks of online training over October and November for all UHI SVRs to attend Mop up training is being organised in person and online to increase these numbers.

We are now working on gap analysis of subjects without student representation to offer proactive support to subject areas and identify consistent areas of challenges in SVR recruitment. This has been done in partnership with curriculum and quality teams.

At our first Student Representative Council (SRC) meeting in November we have 54 attending our hybrid meeting. A summary of the feedback received is as follows:

- There was a disproportionate number of issues relating to estates and learning resources. We are currently in the process of organising a separate meeting to address these. For example:
  - Several courses commented that the physical resources were no longer effective and needed replacing or additional resources purchasing.
  - Several courses mentioned problems with heating in Goodlyburn and the ASW.
  - Many mentions of the price of food across campus, in the shop and the canteens.
  - Several mentions of issues with parking and electrical car charging on campus.
- The meeting also asked for direct feedback regarding the library and study areas, as this had already been raised by several students.
- Need for more PSAs and a recognition they are currently overworked.
- Students are finding online classes are too long (some several hours), and it is difficult to manage these and concentrate for this length of time.
- Campus accessibility especially due to Brahan lift issues

We plan for nominations to open for our annual elections prior to Christmas, with voting in March. Extensive publicity will take place to promote these opportunities for our 2025-26 Executive.

A democracy review is taking place, examining HISA's articles and schedules to address small issues of consistency. This will then inform wider forthcoming changes that can, among other things, reflect UHI's transformation.

## **Clubs and Societies Updates**

At the end of October, we wrapped up our first term grant for clubs and societies. As clubs and societies continue to grow, and affiliation fees to BUCS and SSS increase, finance continues to be a significant barrier to the success and growth of clubs and societies. We continue to encourage groups to fundraise, charge membership fees, apply for external grants, seek sponsors, and apply for any UHI funds available, and we have support for all of this on offer.

We have been working closely with several clubs on a variety of issues like conduct management, duty-of-care, legal obligations, and facility/estates regulations. We continue to monitor and support our online club platforms.

Our UHI Women's Shinty Team won the Scottish Student Shinty Tournament at Strathclyde University last month, also welcoming students brand new to the sport. Our Perth Basketball Team and Football Team have been competing in the Scottish Student Sport League and our sports clubs across the partnership have welcomed lots of new student members. We are also looking ahead to next year's UHI Varsity, with a date set of 1st April in Inverness. We are hoping to make it bigger and better than last year!

## **Board of Management Updates**

We will be commencing evaluation of the Board of Management Project with key stakeholders within boards and academic partners. Planning for this will be done with our elected student officers and Governance Professionals across UHI and will cover how successful support for student board members is within our organisations and further developments needed.

## **Other Key Updates**

Since the last report to the Board, HISA has published its Impact Report for 2023-24 and its new 2024-2027 strategy and related KPIs to Principals and Board Chairs. HISA is now working through developing an annual reporting process to Boards against its strategy and KPIs. HISA management are also currently working with the UHI Transformation team on a student consultation process on the new operating model and continue to work on a range of improvement projects as HISA develops as an organisation – from developing social media guidelines, to developing a freedom of speech policy, to significantly revising its risk register to developing management training for staff. HISA has also finalised its Student Mental Health Agreement with EO and we are making joint plans to launch that document before Christmas.

## **Quality activities**

Our pilot Subject Intern approach, developed and funded in partnership with LTA, is underway in the Business, Leisure and Creative Economy (BLCE) Cognate Subject Group. This pilot brings a student subject expertise to BLCE, including a seat on the BLCE CSG Committee and broadening the pool of students for UHI's internal quality review activity. Intern reflections will form part of a wider plan of evaluation that will inform conversations about a continuation or expansion of the pilot to other subject areas.

HISA has remained heavily involved in activities relating to the Tertiary Quality Enhancement Framework (TQEF), not least through regular engagements with colleagues across UHI, and key contacts in QAA and sparqs. Sparqs will be visiting UHI Perth on 22<sup>nd</sup> November and meeting with curriculum, quality and student engagement staff as well as HISA.

## **Advice Service**

The Advice Service continually receives a diverse range of student enquiries, which include issues related to housing, support for formal complaints, and various other concerns. To enhance its outreach efforts, the service is actively planning a series of events aimed at directly engaging students on campus.

## **Cross Campus Events and Events on Campus**

As part of their summer training, our Executive Committee created a list of events they would want to run in partnership this academic year to share resources and have event parity across the partnership. This included a successful MacMillan Coffee Morning run across various academic partners.

Regarding in-person events at UHI Perth, here is a summary of events that have happened and are due to take place:

- End Sept: 2 SVR welcome events with 35+ students in total
- Macmillan coffee morning - total raised just under £400
- Music Bingo in October - (approx. 15-20 students)
- Halloween treasure hunt across campus
- World Kindness Day (Engaged with several hundred students all over campus – handing out sweet treats, water, stress balls and affirmation cards, and paying for small items from the canteen)
- Therapets as part of world kindness day on 13<sup>th</sup> November
- Music bingo (21<sup>st</sup> Nov)

After the launch of HISA's EDI Committee, we are currently working on campaigns, articles, and activities for Islamophobia Awareness Month, Trans Awareness Week and Remembrance Day, and 16 Days of Activism to end GBV and Human Rights Day. Some of our clubs and societies are getting involved and doing special activities to promote inclusivity and awareness.

## Committee Cover Sheet

Paper No. 6

<b>Name of Committee</b>	Board of Management
<b>Subject</b>	Management Accounts – Q1 2024-25
<b>Date of Committee meeting</b>	18/12/2024
<b>Author</b>	Gavin Stevenson, Director of Finance
<b>Date paper prepared</b>	17/12/2024
<b>Executive Summary</b> Please provide a concise summary of the Paper outlining the purpose, impact and recommended future actions if approved	Abridged and updated version of Management Accounts to end of Q1 (30 October 2024)
<b>Committee Consultation</b> Please note which Committees this paper has previously been tabled at, and a brief summary of the outcomes/actions arising from this.	Previous version of these accounts were issued to Finance & Resources Committee, 05 December 2024.
<b>Action requested</b>	<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)
<b>Strategic Impact</b> Please highlight how the paper links to the Strategic Objectives of UHI Perth or the UHI Partnership: <a href="#">Strategic-Plan-2022-27.pdf</a> 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

<b>Resource implications</b> Does this activity/proposal require the use of College resources to implement? If yes, please provide details.	No
<b>Risk implications</b> 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.
<b>Equality &amp; Diversity</b> Does this activity/proposal require an Equality Impact Assessment? If yes, please provide details.	No
<b>Data Protection</b> Does this activity/proposal require a Data Protection Impact Assessment? If yes, please provide details.	No Click or tap here to enter text.
<b>Island communities</b> 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.
<b>Status</b> (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

**Committee Cover Sheet**

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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>

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# UHI | PERTH

## Financial Performance Review

Q1 24/25



## College Overview – Q1 24/25

Actual YTD 24/25	Academic	Business	Services	Total	Budget
Funding	2,244	0	2,167	4,411 <sup>1</sup>	4,671
Tuition Fees	933	0	0	933	879
Research	-19	0	12	-7	14
Commercial	321	271	236	827	855
<b>Total Income</b>	<b>3,479</b>	<b>271</b>	<b>2,415</b>	<b>6,165</b>	<b>6,419</b>
Staff Costs	2,663	146	1,807	4,616 <sup>2</sup>	4,688
% Income	76.6%	54.0%	74.8%	74.9%	73.0%
Non-Staff Costs	283	110	1,166	1,558 <sup>3</sup>	2,023
% Income	8.1%	40.6%	48.3%	25.3%	31.5%
<b>Surplus/(Deficit)</b>	<b>533</b>	<b>15</b>	<b>-558</b>	<b>-10</b>	<b>-292</b>
% Income	15.3%	5.5%	(23.1)%	(0.2)%	(4.5)%

### 1 Income

Income of £6.2m is £0.254m adverse vs budget driven by Grant funding £0.260m and Commercial £0.028m, partly offset by tuition fees £0.054m favourable. This is due to timing and we currently expect to reach our income target for 24/25. Research income is showing as a cost due to income having been over-accrued in prior years.

### 2 Staff Costs

Staff costs of £4.6m are broadly in line with budget (£0.072m favourable) and include VS costs of £0.533m (FY budget £0.6m). Vacancy management remains a key focus as we look to reduce FY staff costs in light of budget deficit while having the required staff to maintain a high level of student experience.

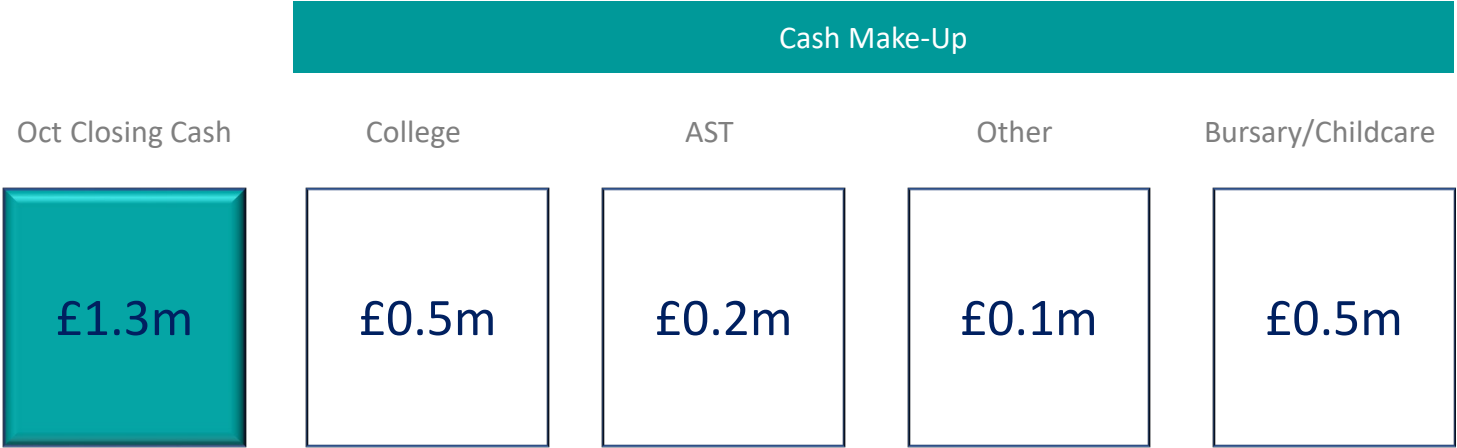
### 3 Non-Staff Costs

Non-staff costs of £1.558m are £0.465m favourable vs budget largely due to timing of spend vs budget. Work is ongoing to identify other cost accruals that we believe are required that would increase actual spend as shown. YTD spend and outlook for the 9 months to July 25 has been discussed with budget holders and we expect to be broadly in line with budget for FY 24/25. We will continue to focus on cost control as we look to minimise the deficit.

As we establish our required Finance resource, we will work towards providing a full and more detailed management accounts deck for Board Cycle 3, including a cashflow forecast and FY outlook based on 6-month actuals to January 2025.



# Cash



<b>Committee</b>	Board of Management
<b>Subject</b>	UHI Perth – Progress update on 2023/24 external audit
<b>Date of Committee meeting</b>	18/12/2024
<b>Authors</b>	Lynn Murray, Depute Principal - Operations
<b>Date paper prepared</b>	13/12/2024
<b>Executive summary of the paper</b>	An update is provided on the external audit of the 2023/24 financial statements as it has been delayed.
<b>Consultation</b> How has consultation with partners been carried out?	Discussions have taken place with the Executive Office of UHI and Deloitte, UHI Perth's external auditors
<b>Action requested</b>	<input checked="" type="checkbox"/> For information only <input type="checkbox"/> For discussion <input type="checkbox"/> For recommendation <input type="checkbox"/> For approval
<b>Resource implications</b> (If yes, please provide details)	<b>Yes</b> Budgeted income and expenditure is included
<b>Risk implications</b> (If yes, please provide details)	<b>Yes</b> Notes the risk to financial sustainability
<b>Link with strategy</b> Please highlight how the paper links to the Strategic Plan, or assist with: <ul style="list-style-type: none"> <li>• Compliance</li> <li>• National Student Survey</li> <li>• partnership services</li> </ul>	Financial sustainability

<ul style="list-style-type: none"> <li>• risk management</li> <li>• other activity [e.g. new opportunity] – please provide further information</li> </ul>	
<p><b><u>Equality and diversity</u></b></p> <p><b>No</b></p> <p>If yes, please give details:</p>	<p>Click or tap here to enter text.</p>
<p><b>Island communities</b></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><b>No</b></p> <p>If yes, please give details:</p> <p>Click or tap here to enter text.</p>
<p><b><u>Data Protection</u></b></p> <p>Does this activity/ proposal require a Data Protection Impact Assessment?</p>	<p><b>No</b></p> <p>Set out any data protection aspects and whether a data protection impact assessment is needed</p>
<p><b>Status</b> (e.g. confidential/non confidential)</p>	<p>Non-Confidential</p>
<p><b>Freedom of information</b></p> <p>Can this paper be included in “open” business?* <b>-Yes</b></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"/>
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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.

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](http://www.itspublicknowledge.info/web/FILES/Public_Interest_Test.pdf)

**Progress update on the external audit of the 2023/24 financial statements**

1. The audit of the 2023/24 financial statements by Deloitte, UHI's external auditors, was planned to start on 21 October 2024. However, UHI Perth asked for it to be delayed until 16 November as a contractor had been recently appointed and needed time to prepare the financial statements before they could be audited. Little work had been done on this due to the shortage of resources in the Finance Team and lack of expertise in this activity.
2. Work started on 16 November but after two weeks it was clear that the volume of queries from three auditors was overwhelming for one contractor who had no prior experience of the organisation. At that stage less than 50% of the audit was completed.
3. The Depute Principal Operations and Director of Finance from UHI Perth met with the Audit Partner and Manager from Deloitte then there was a follow up meeting with the Principal in the week ending 6 December. All reinforced the desire to work in partnership to complete the audit and it was agreed that Deloitte would pause their audit and resume work in January 2025 with a view to the audit being finalised and ready for Board approval by the end of February 2025.
4. The Clerk to the Board has identified potential dates for the joint Finance and Resources and Audit Committees to review the 2023/24 financial statements and for the Board to approve them at the very beginning of March to allow the report and financial statements to be laid before Parliament by 31 March and submitted to OSCR by 30 April.
5. The Depute Principal Operations will provide regular progress updates to the Chairs of the Board and Audit Committee.

**Committee Cover Sheet**

Paper No. 8

<b>Name of Committee</b>	Board of Management
<b>Subject</b>	Finance Resourcing
<b>Date of Committee meeting</b>	18/12/2024
<b>Author</b>	Katy Lees, Director of HR and Organisational Development
<b>Date paper prepared</b>	13/12/2024
<b>Executive Summary</b> Please provide a concise summary of the Paper outlining the purpose, impact and recommended future actions if approved	<p>Update for Board on the current finance resourcing position within UHI Perth, as requested by Chairs Committee.</p> <p>Currently 2.0 fte staff undertaking work not within budget, however 2.0 fte vacancies (1 of which recruited but not starting until February and the other is subject to organisational change).</p> <p>Evidence that the most used route to recruiting permanent staff has been by direct recruitment, noting additional costs incurred due to interim roles and agency fees.</p>
<b>Committee Consultation</b> Please note which Committees this paper has previously been tabled at, and a brief summary of the outcomes/actions arising from this.	None
<b>Action requested</b>	<input checked="" type="checkbox"/> For information <input checked="" 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)

## Committee Cover Sheet

<p><b>Strategic Impact</b></p> <p>Please highlight how the paper links to the Strategic Objectives of UHI Perth or the UHI Partnership: <a href="#">Strategic-Plan-2022-27.pdf</a></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>Click or tap here to enter text.</p>
<p><b>Resource implications</b></p> <p>Does this activity/proposal require the use of College resources to implement?</p> <p>If yes, please provide details.</p>	<p>There continues to be work needed to be done to fill the last role, however the main requirement is now to build the team into a strong cohesive unit, with all new staff effectively inducted and improvements being made into current systems and processes.</p>
<p><b>Risk implications</b></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>Due to the volume of new staff, if inductions/probations etc are not effectively managed there is a risk of staff leaving and also a wider impact across the College.</p> <p>Click or tap here to enter text.</p>
<p><b>Equality &amp; Diversity</b></p> <p>Does this activity/proposal require an Equality Impact Assessment?</p> <p>If yes, please provide details.</p>	<p>No</p>
<p><b>Data Protection</b></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><b>Island communities</b></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

<b>Status</b> (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.
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### Freedom of Information

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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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## Finance Department

Board to receive HR Strategy to address continued ongoing issues, including but not limited to use of UHI resources, agencies and outsourcing options.

Current position as of 11 December 2024 based on current structure.

Role	Establishment FTE	Filled FTE	Gap FTE	Initials of Staff	Comments
Director of Finance	1.0	1.0	0	GS	
Finance Manager	1.0	2.0	-1	YO CB	Over-staffed by 1fte for the period 9 December 24 – 31 January 2025 (overlap by 6 weeks)
Finance Business Partner	2.0	2.0	0	MB UO	
Assistant Finance Business Partner	2.0	0	2	H	1 offered but the successful candidate is on 3 months' notice period, starting 03 February 2025. The other is now subject to an organisational change process.
Finance Assistant	2.83	2.83	0	SJ, CM, RB	
Payroll Manager	1.0	1.0	0	NM	
Payroll Assistant	1.0	1.0	0	CS	
Procurement Assistant	1.0	1.0	0	TR	
Finance Project Lead	0.0	1.0	-1	IW	Short term assignment to undertaking development of costing model for curriculum and international

There is also in place additional Management Accountant support from UHI, this is due to end at Christmas 2024, however how much support is/has been provided cannot be quantified as no records have been kept by UHI Perth or UHI.

The only roles that are vacant are the 2 Assistant Finance Business Partners. One role is a 12-month fixed term role, which has been appointed to, however the successful candidate was on the 3 months' notice period and is due to start on the 3 February 2025. The other role is a permanent Assistant Finance Business Partner. This role is being held as part of an organisational change process which is progressing through the SLT next week. It is hoped that this role would be filled by March.

## Review of Finance recruitment methods used from January 2023.

Recruitment methods	Methods used	Comments / Roles recruited
Direct recruitment	<p>Adverts placed on jobs.ac.uk, college.jobs.ac.uk, S1jobs, Job Centre, Linkedin, Indeed, via Finance Directors Network, CDN job sites</p> <p>All advertising costs are within annual agreements or are free.</p>	<ul style="list-style-type: none"> <li>• Depute Principal, Operations appointed following direct recruitment started 01/02/24</li> <li>• Finance Manager appointed following direct recruitment started 09/12/24</li> <li>• Finance Business Partner appointed following direct recruitment, however he was already with us through an agency so agency fee applicable started 01/11/24.</li> <li>• Assistant Finance Business Partner (fixed term) appointed following direct recruitment starting 03/02/25</li> <li>• Assistant Finance Business Partner (permanent) – post on hold whilst organisational change is considered, however potential</li> <li>• Finance Project Lead (fixed term 18/11/24 – 20/12/24) direct contact made.</li> </ul>
Agency – Interim	Rutherford Cross	<ul style="list-style-type: none"> <li>• Interim Head of Finance (CM 19/02/24 – 26/04/24)</li> <li>• Interim Head of Finance (GS 13/05/24 – 31/08/24)</li> </ul>
Agency – Interim	Reed	<ul style="list-style-type: none"> <li>• Interim Finance Business Partner (UO 09/10 – 31/10/24)</li> <li>• Interim Finance Manager (CB 30/09/24 – 31/01/25)</li> </ul>
Agency – Interim	Hutcheon Mearn	<ul style="list-style-type: none"> <li>• Interim Finance Manager (SJ 15/07/24 – 15/10/24)</li> </ul>
Agency – Permanent recruitment	Livingston James	<ul style="list-style-type: none"> <li>• Director of Finance (GS) started 01/09/24</li> <li>• Finance Business Partner – no successful recruitment</li> </ul>
Agency – Permanent recruitment	Reed	<ul style="list-style-type: none"> <li>• No permanent roles placed with Reed</li> </ul>
Consultancy support	Hutcheon Mearn	<ul style="list-style-type: none"> <li>• N/A Deemed too expensive (approx. £3k per week)</li> </ul>
Consultancy support	Rutherford Cross	<ul style="list-style-type: none"> <li>• N/A Deemed too expensive</li> </ul>
Support from UHI	This was arranged by the Finance Department as support. There was no cost of this and details of when she worked for UHI Perth were not recorded by the Finance Department or UHI so the amount of support received cannot be quantified	
Other	At the recommendation of a Board member another agency was met and a relationship put in place (Gunn Recruitment), but not used as adverts had already been placed and successfully recruited through direct recruitment	

Direct recruitment remains our most effective method of recruitment. It is recognised that for some finance staff there does seem to be an expectation to use agencies, however from the agencies used it has been difficult to recruit permanent staff through this method as salary expectations exceed those offered by our pay scales (despite the other advantageous terms and conditions that we offer) and there is a desire for more home working than is available within UHI Perth on a normal basis.

In addition, a significant barrier to recruiting senior finance staff at the time of the initial vacancy was the non-completion of the 22/23 financial statements, and the 'late return' visible through external sources (OSCR) which was giving concern to some potential candidates. The external announcement from UHI at the time of a need for change also had an impact.

The use of agencies for finance interim and recruitment has cost £97,857.32 since January 2023. Some of this is because some of the interim staff would only come when paid a daily rate through the agency. Others were willing to be put on our payroll, so the costs are less. If the salaries and on-costs that would have been paid to the staff who were paid a daily rate, then the agency cost since January 2023 to staff the finance department is £58,673.74 of which £33,458.93 is within the 24/25 financial year

## Committee Cover Sheet

Paper No.9

<b>Name of Committee</b>	Board of Management
<b>Subject</b>	Balanced Scorecard Report
<b>Date of Committee meeting</b>	18/12/2024
<b>Author</b>	Risk and Project Officer
<b>Date paper prepared</b>	12/12/2024
<b>Executive Summary</b> Please provide a concise summary of the Paper outlining the purpose, impact and recommended future actions if approved	Balanced Scorecard report on performance of KPIs from the UHI Perth Strategy 2022-27
<b>Committee Consultation</b> Please note which Committees this paper has previously been tabled at, and a brief summary of the outcomes/actions arising from this.	n/a
<b>Action requested</b>	<input checked="" type="checkbox"/> For information <input checked="" 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)
<b>Strategic Impact</b> Please highlight how the paper links to the Strategic Objectives of UHI Perth or the UHI Partnership: <a href="#">Strategic-Plan-2022-27.pdf</a> If there is no direct link to Strategic Objectives, please provide a justification for inclusion of this paper to the nominated Committee.	UHI Perth Strategy 2022-27

## Committee Cover Sheet

<p><b>Resource implications</b></p> <p>Does this activity/proposal require the use of College resources to implement?</p> <p>If yes, please provide details.</p>	<p>Yes – where resources are required to achieve strategic objectives.</p>
<p><b>Risk implications</b></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 – the risk from not achieving strategic objectives.</p> <p>Click or tap here to enter text.</p>
<p><b>Equality &amp; Diversity</b></p> <p>Does this activity/proposal require an Equality Impact Assessment?</p> <p>If yes, please provide details.</p>	<p>No</p>
<p><b>Data Protection</b></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><b>Island communities</b></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><b>Status</b></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] <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](http://www.itspublicknowledge.info/web/FILES/Public_Interest_Test.pdf)

# Balanced Scorecard Progress Report – December 2024

## Overview




- The Balanced Scorecard measures progress against the strategic objectives and the associated 36 Key Performance Indicators (KPIs) set out within the UHI Perth Strategic Plan 2022-27.
- The data set for this progress report comprises the 13 KPIs identified for reporting progress to the Board.
- The remaining 23 KPIs reported to the Strategic Development Committee in November 2024. The Committee has recommended a shorter list of KPIs that are more strategic.
- Accordingly, PLG will conduct a review and take its recommendations to the next meeting of the Committee in March 2025.

## Target Setting


- The Strategic Plan sets out a 5-year target for each KPI with specific targets identified by KPI owners within the Balanced Scorecard for each academic year.
- To prioritise the work taking place on the financial sustainability project, no targets were set for 2023/24.
- Targets for 2024/25 have been set a realistic level to allow for a period of stability while the new organisational structure is being realised.
- Where the KPI data for 2023/24 is still pending, the 2024/25 targets will be reviewed again once the actual data has been confirmed to ensure they remain achievable.

## Summary of Performance Status

### Key: KPI Trend Status

Improving	
Maintaining	
Worsening	

### Key: Target Performance Status

Target Met/Exceeded	
Target Progress Maintained	
Target Not Met	

Balanced Scorecard 2022-27								Year One			Year 2		Year 3
								2022-23			2023-24		2024-25
13 KPIs	UHI Perth Strategy 2022-27	Strategic KPI	Data Owner(s)	KPI Owner(s)	SLT Sponsor	Baseline	Target (Over 5 years)	2022/23 Target	2022/23 Actual	Trend	2023/24 Actual	Trend	2024/25 Target
Excellence in Learning and the Learner Experience													
	SO1: The Learner Experience												
1	Increase retention, attainment, achievement, progression and student satisfaction to sector leading levels	Increase student retention											
		a) FE by 7%	Director of Student Experience	Director of Curriculum BSTW	DPA	79%	86%	79%	82%	↑		tbc - Jan '25	82%
		b) HE by 5%				79%	84%	79%	87%	↑		tbc - Jan '25	87%
2		Increase student achievement											
		a) FE by 12%	Director of Student Experience	Director of Curriculum BSTW	DPA	66%	74%	66%	72%	↑		tbc - Jan '25	75%
		b) HE by 9%				71%	80%	71%	61%	↓		tbc - Jan '25	65%
3	Increase student satisfaction	Early Student Experience Survey:											
		a) FE by 2%	Director of TLQE	Director of Curriculum BSTW	DPA	96%	98%	96%	98%	↑	98%	↔	98%
		b) HE by 7%				91%	98%	91%	97%	↑	97%	↔	97%
		Student End of Year Survey:											
		a) FE by 6%	Director of TLQE	Director of Curriculum BSTW	DPA	92%	98%	92%	96%	↑	96%	↔	96%
		b) HE by 9%				89%	98%	89%	94%	↑	94%	↔	94%
4	SO2: Co-Creative and Progressive Curricula												
	Strengthen and develop an agile, innovative and dynamic portfolio that responds to regional and Scottish Govt priorities and key sector needs with a focus on recruitment	Continue to annually review the curriculum portfolio and increase overall redesign of our courses by 25%	Director of Student Experience	Director of Curriculum AHE	DPA	50%	62.5%	55%	55%	↑	55%	↔	55%
	SO4: Academic Partnerships (Industry)												
5	Value/leverage (£) by partnership	Margin/revenue - overhead recovery +1% by year 5	Director of Finance	Director of Curriculum BSTW	DPA	30%	+1%	30%	No data	↔	No data	↔	30%
	SO5: Research and Scholarship												
College Growth and Ambition													
	SO1: Our Culture												
6		Monthly initiative around one of our values		Director of HROD	DPO	0	12	3	3	↑	0	↓	3
	SO2: Our Staff												
7		The leadership team provide clear direction and guidance		Principal/Director of HROD	DPO	42%	80%	42%	42%	↔	n/a	↔	50%
	SO4: Our Ways of Working												
8		Number services/processes improved July 2023 - 4 July 2024 - 8 July 2025 - 12		Jill Martin	DPO	0	12	4	4	↑	8	↑	12
	SO5: Digital Transformation												
9		Identify a baseline digital competence framework for each job role		Jill Martin	DPO	0	Produce framework document	Produce framework document	Produce framework document	↑	tbc	↔	Produce framework document
Partnerships and Collaboration													
	SO1: Relationships												
10	Percentage strategic partnerships v proportion of external engagements	Increase from 5% by 1% pa	Nicky Inglis	Nicky Inglis	DPA	5%	10%	5%	5%	↔	8%	↑	10%
	SO2: Commercial Enterprise and Innovation												
11	Commercial AOP/Commercial Income (per college area)	Gross overhead +1% by Year 5	Gav Stevenson	Nicky Inglis	DPA	0.00%	+1%	0.00%	0.50%	↑	0.50%	↔	0.50%
Sustainability													
	SO2: Reinvestment Planning												
12	At the end of the strategic cycle have the following cost/income ratios:	1. Staff Cost/Income 70%	Gav Stevenson	Gav Stevenson	DPO	80.90%	70%	80%	80.10%	↑	73.00%	↓	72%
		2. Non-Staff Cost/Income 21%				23%	21%	22.8%	26.10%	↑	31.00%	↑	30%
		3. Investment Cost/Income 5%				0	5%	1%	0.00%	↑	0.00%	↑	0%
	SO3: Environmental Sustainability												
13	Percentage gross carbon footprint reduction	Decrease by 2% pa	Gavin Whigham	Gavin Whigham	DPO	1646 tonnes	1487 tonnes	1613 tonnes	1208 tonnes	↓		tbc (target date 12/24)	1150 tonnes



## Committee Cover Sheet

Paper No. 10

<b>Name of Committee</b>	Board of Management
<b>Subject</b>	Board Effectiveness Development Plan
<b>Date of Committee meeting</b>	18/12/2024
<b>Author</b>	Ian McCartney, Clerk to the Board
<b>Date paper prepared</b>	10/12/2024
<b>Executive Summary</b> Please provide a concise summary of the Paper outlining the purpose, impact and recommended future actions if approved	Paper combines draft Development Plans arising from the recent Board External Effectiveness Review and feedback received during Annual Board Review meetings.  Items have been colour-coded per their provenance.
<b>Committee Consultation</b> Please note which Committees this paper has previously been tabled at, and a brief summary of the outcomes/actions arising from this.	Individual papers discussed at Chairs Committee where decision was made to combine into a single Development Plan
<b>Action requested</b>	<input 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)
<b>Strategic Impact</b> Please highlight how the paper links to the Strategic Objectives of UHI Perth or the UHI Partnership: <a href="#">Strategic-Plan-2022-27.pdf</a>  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**

<b>Resource implications</b> Does this activity/proposal require the use of College resources to implement? If yes, please provide details.	No
<b>Risk implications</b> 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.
<b>Equality &amp; Diversity</b> Does this activity/proposal require an Equality Impact Assessment? If yes, please provide details.	No
<b>Data Protection</b> Does this activity/proposal require a Data Protection Impact Assessment? If yes, please provide details.	No Click or tap here to enter text.
<b>Island communities</b> 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.
<b>Status</b> (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

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Please select a justification from the list, below:

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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

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**UHI Perth External Effectiveness Review & Annual Board Review 2024 – Development Plan**

<b>EER Recommendation/ Board Member Recommendation</b>	<b>Action Required</b>	<b>Timeline</b>
<b>A - Building the Board Team</b>		
1 - Build confidence of newer members by encouraging them to have a voice and use their skills and experience to provide constructive challenge and support	Invite new Board Members to first available Chairs Committee to meet all Chairs and discuss key current issues prior to first attendance at Board/Committee	Feb 2025
2 - Amend Induction processes to include broader understanding of courses offered by College	Clerk to ensure Induction process includes session with Directors of Curriculum  Clerk to ensure Board Members receive information/invites to College Open Days	Feb 2025  June 2025
3 – Enable newer members to develop their understanding of the sector and the current challenges	Ensure Induction specifically addresses sector issues and promotes external information & training, eg Colleges Scotland, CDN, etc	Feb 2025
4 - Consider board induction training being delivered on a group basis	Induction to be provided on a group basis where possible	Feb 2025
5 - Create space for members to get to know each other and build effective working relationships	Organise at least 2 “social” opportunities for Board Member interaction outside formal meeting environments per annum	June 2025
6 - Increase number of Development Days to improve relationships between Board Members	Development Days allocated within each Board Cycle for 2024-25	Complete
<b>B - Succession Planning</b>		
1 - Review committee membership following the next Board appointments	Proposed Committee Membership allocations for new Board Members to be tabled at Chairs Committee to ensure fair allocation.  Annual Board Member reviews to be retained during summer recess to review.	Feb 2025

2 - Increased involvement of “second tier” of UHI Perth leadership team (ie Perth Leadership Group)	Review of allocation of PLG to attend various Committees	Complete
3 - Chairs Committee to receive information on comparable senior leadership team structures in other Scottish colleges	Clerk to conduct survey amongst Governance Professionals	Feb 2025
<b>C – Board Papers</b>		
1 - Keep the volume of papers under review	Formally review annually during Annual Board Review	July 2025
2 - Given the volume and complexity of board papers consideration should be given to the use of a board ‘portal’ to help members manage their board and committee papers.	Review analysis of AdminControl vs MS Teams and present to Chairs Committee for appraisal	Feb 2025
3 - Committee agendas to be allocated approx. timings for each agenda item, to be agreed between Committee Chair and Clerk.	Clerk to progress	Feb 2025
<b>D – Board Visibility</b>		
1 - Ensure Board Biographies are up to date and maintained	Clerk to liaise with Marketing Team to review on regular basis	Ongoing
2 - Board member(s) to be invited to address Staff Conference to talk about what the Board does in general terms to aid Board visibility	Clerk to liaise with Staff Conference organisers to facilitate	June 2025

## Board of Management – Standing Committee Summary

Paper No: 11a

[illegible]

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<p>Committee noted the consistent factor of lack of investment in IT systems, and suggested this be linked to solutions proposed within the UHI OBC</p> <p><u>Strategic Plan mid-term review</u> Depute Principal (Academic) noted that a mid-term review of the Strategic Plan was being undertaken via the Workstreams. The current Plan remained valid.</p>	<p>Committee asked that EO be requested to provide PR support to ensure better national coverage of positive Perth stories.</p>
<p><b>Committee Chaired by:</b> <b>Elaine Piggot</b></p>	<p><b>Date of next meeting:</b> <b>11 March 2025</b></p>

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## Board of Management – Standing Committee Summary

Paper No: 11b

<b>Name of Committee:</b> <b>Learner Experience Committee</b>	<b>Date of Committee:</b> <b>20 November 2024</b>
<b>Key Issues discussed:</b>  <u>School College Partnership</u> Noted that the SCP needs to two-way engagement and discussions are ongoing, care required re double funding issue of before we make any decisions re development of this area.  <u>HISA Perth Strategic Update</u> There are currently 183 registered Student Voice Rs currently and HISA are working on areas that are not represented at the moment. First meeting was very well attended with a wide range of issues discussed.  <u>National Student Survey Report</u> UHI Perth has had a reduction of 5% over a 3 year period for overall student satisfaction. Some of this may be due to industrial action, ASOS and the restructuring that has taken place within academic areas.  Overall UHI ranking remains static at 81%.  Committee advised that results will be scrutinised, and further analysis undertaken to ensure that best practice is shared and response times are strong.  Committee noted that UHI have a response team who will look at specific courses as it is very important that these numbers are understood. Committee also noted the increase in student responses to “How well the student union represent the student body.”  Discussion took place regarding how to incentivise students to take part in this survey and other actions that can help to increase satisfaction.	<b>Actions agreed:</b>

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<p><u>Postgraduate Taught Experience Survey</u> Committee noted that UHI achieved the highest overall satisfaction rate of any Scottish institution for the third consecutive year.</p> <p>Overall satisfaction rate for UHI was 88% (down from 92% in previous year)</p> <p><u>Student Completion &amp; Progression</u> Committee informed that every FE student now has an outcome at the end of the academic year with this data available at course level and has been circulated to all teams and will be used as preparation for target setting.</p> <p>Committee discussed Year 4 numbers with particular respect to the withdrawal/transfer or fail category before discussing some of the reasons for this issue and potential solutions.</p> <p>Committee also discussed HN students' retention and progression routes, articulation agreements and networked courses across UHI.</p> <p><u>Student Recruitment</u> Committee received the latest update regarding student numbers, predicting a shortfall of approx. 200 full-time HE, 39% of this shortfall is by way of new recruitment and 61% is progressing/continuing students.</p> <p>Committee were advised that clawback could happen due to shortfall.</p> <p>FE remains on track to meet the credit target.</p>	
<p><b>Committee Chaired by: Lorenz Cairns</b></p>	<p><b>Date of next meeting: 19 February 2025</b></p>

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## Board of Management – Standing Committee Summary

Paper No: 11c

<p><b>Name of Committee:</b> AST Board</p>	<p><b>Date of Committee:</b> 27 November 2024</p>
<p><b>Key Issues discussed:</b></p> <p><u>Legal Q+A</u> Board received legal advice around some future options</p> <p><u>Financial Update</u> Due to a lack of Management Accounts, Board received an update focused around main lines of income and expenditure.</p> <p>Board were advised that improved marketing activity is showing great potential with respect to leads and future returns.</p> <p>Board were advised that the CAT contracted had been extended rather than renewed due to ongoing issues around tie-ins with UHI degree courses.</p> <p>General Manager noted improvement in cashflow profiling however highlighted the importance of resolving the situation around the agreed management fee.</p> <p><u>General Manager Update</u> General Manager advised that National Insurance changes would cost the business around £30k pa, and this had been reflected in the cashflow forecast.</p> <p>General Manager noted options re regional tie-ins for AST around the UK.</p> <p><u>Risk Report</u> Committee were advised UK CAA have now stated that the Scone facilities are not acceptable, with previous explanation of impending change due to AAS no longer credible.</p>	<p><b>Actions agreed:</b></p> <p>Chair stressed need for financial information to be produced. General Manager to re-establish procedures around AST provision of information.</p> <p>Board requested that position resolved with UHI by end February.</p> <p>General Manager to obtain clarity around UHI support for UHI Perth and AST regarding £100k annual fee paid by AST to UHI Perth by date of UHI Perth December Board Meeting.</p> <p>Chair requested a strategy is developed to respond to options available.</p>

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<p>This creates a future risk to AST compliance with authorities. Likely costs to AST = £100k for existing facility refurbishment, or £450k for Portacabin-type solution at Scone.</p> <p>General Manager stressed that this Risk, while not immediate, will crystallise at some point.</p> <p><u>Examinations Performance Report</u> Committee received an Examinations Performance Improvement Report, as previously requested, which provided detailed analysis of trends on examination passes over the previous 2 years, and proposed actions to ensure results.</p>	<p>Board requested a follow-up report re implementation later in the AY.</p>
<p><b>Committee Chaired by:</b> <b>Graham Watson</b></p>	<p><b>Date of next meeting:</b> <b>11 February 2025</b></p>

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## Board of Management – Standing Committee Summary

Paper No: 11d

<p><b>Name of Committee:</b> <b>Chairs</b></p>	<p><b>Date of Committee:</b> <b>28 November 2024</b></p>
<p><b>Key Issues discussed:</b></p> <p><u>Operational/Financial Update</u> Depute Principal (Academic) provided an update on a number of operational and financial issues.</p> <p>Committee were advised that the PKC Strategy was now out for public consultation, however options around the AK Bell library may be conducive to college, however the process was at an early stage.</p> <p>Depute Principal (Academic) noted the following:</p> <ul style="list-style-type: none"> <li>• Campus reutilisation survey now complete</li> <li>• Work on retention/achievement/articulation rates now 50% complete</li> <li>• UHI Partnership had recruited 4800 HE students, same as 2023/24</li> <li>• Main lift in Brahan out of order, replacement likely to cost circa £90k</li> <li>• Self Evaluation Action Plan (SEAP) has been submitted to UHI, to then be forwarded to SFC</li> </ul> <p>Committee discussed Finance staffing issues at length, and concerns were raised around the lack of visibility around cashflow issues and the funding advance arrangements</p> <p><u>UHI Outline Business Case</u> Chair provided update on recent meeting of UHI Court where a presentation on challenges facing UHI Perth was heard.</p> <p>Committee also discussed current expectations around delivery and content of the next iteration the OBC and other factors</p>	<p><b>Actions agreed:</b></p> <p>Board to receive HR Strategy to address continued ongoing issues, including but not limited to use of UHI resources, agencies and outsourcing options.</p> <p>Board to receive update on current and proposed priorities of Finance staff to provide comfort that Board Members can fully discharge fiduciary responsibilities.</p>

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<p>around the project, including SFC's anticipated position re funding, and the top-slice. Committee felt there would be some mileage in collating information on top-slice services the College does and doesn't receive.</p> <p>Committee discussed the potential for negative PR around recent overseas business trips in the current climate. Although it was noted that Standard Class is used for all trips, some information on likely return on investment was requested.</p> <p><u>EER &amp; Board Development Plans</u> Committee received papers outlining action plans in response to the recent External Effectiveness Review and the internal Board Member Annual Review.</p> <p>Committee noted that, due to the level of crossover, these plans should be merged, and a progress review timetabled for later in the year.</p> <p><u>Board Portal</u> Committee received a verbal update on the pros and cons of MS Teams as a Board Portal, and the main alternatives available. Clerk advised that the benefits of Admin Control were marginal, and suggested using the UHI OBC papers as a way of differentiating usability for Board Members</p>	<p>Board to receive document outlining services UHI Perth currently receives (or intends to receive) from Executive Office, and how much this would cost to deliver via other means.</p> <p>Board to receive breakdown of costs associated with International Travel and the Return on Investment received/anticipated from these trips.</p> <p>Clerk to merge documents for presentation to Board, and ensure progress review is included on future Board agenda.</p> <p>Clerk to ensure all Board Members can access Admin Control for UHI OBC purposes, and continuously review Board Portal options.</p> <p>Clerk to clarify whether format of UHI OBC on Admin Control can be amended to allow more flexible access to documents.</p>
<p><b>Committee Chaired by:</b> <b>Graham Watson</b></p>	<p><b>Date of next meeting:</b> <b>11 February 2025</b></p>

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## Board of Management – Standing Committee Summary

Paper No: 11e

<b>Name of Committee:</b> <b>Finance &amp; Resources</b>	<b>Date of Committee:</b> <b>05 December 2024</b>
<b>Key Issues discussed:</b>  <u><b>Resources within the Finance Dept:</b></u> Committee were informed that the Finance Team will be fully staffed from January  Chair stressed that it will be unacceptable in the future for Board and Committees not to have relevant financial information available to them well in advance of meetings, and if staffing levels become an issue again, management need to do what needs to be done to fix the situation  <u><b>Scottish Government Budget:</b></u> Committee were advised that the “additional” £12.3m (1.3%) uplift for the sector announced in the Budget represents an effective cut  Concerns were also raised that the Capital budget has been reduced by 17%, there is no clarity on NI payments, and there is no clarity on mechanisms for the Pay Award for Academic Staff  <u><b>Financial Sustainability:</b></u> Committee were advised that there were no financial changes to be noted since the last update – £3.2m savings figure still approximately on track  Priority is on the ongoing individual consultations which are taking longer than hoped. An end-stop of Easter will be required to enable process to be complete by end of AY 2024/25 due to notice periods  Committee were advised that Internal Audit had undertaken an investigation into VS scheme, which included the decisions taken	<b>Actions agreed:</b>  Committee agreed that arrangements for the current additional staff resource assisting in pulling together the Audited Accounts should be extended for a period  Further clarifications are likely to follow in the New Year  Committee requested a Minimum and Maximum cost range be provided re Pension Strain costs.  Committee requested sight of any anomalies around VS savings and payback terms (noted as 0.4FTE over a max of 24 months), plus a breakdown of numbers of applications approved versus rejected.

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at Remuneration Committee, and concluded that robust processes had been followed

External Audit 2023/24:

Committee were advised that, while the compliance work should be concluded by the end of the month, the statements won't be ready until into the New Year

The partnership approach with Deloitte is working well, but the volume of requests is overwhelming and a pause in requests of one week has been agreed to allow a catch-up in the backlog

Committee were advised that accounts need to be tabled before Parliament by 31<sup>st</sup> March (and to OSCR by 30<sup>th</sup> April), but given the main cause of delays in 2022/23 accounts focused on 2 items that are not required this year (revaluation of Estates and Pensions Triennial revaluation), both parties confident with meeting these deadlines

Management Accounts:

Committee received a high-level version of the accounts to end October 2024, and discussed key issues around income and expenditure, and controllable costs

Committee were advised that a Reforecast is being prepared, and a truer measure of where the college stands would be shown at the Mid-Year Review which will be provided after P6 (end January 2025)

Committee were advised that the current borrowing position amounted to an advance on funding of £650k to be deducted at drawdown, and £1.5m of liquidity funding from SFC – concerns were raised about the continuing lack of detail on the terms of repayment for the latter arrangement – this issue is likely to crystallise the debate around Going Concern within the Audited Accounts

Committee queried whether, were a worse position than the Draft Budget be provided in the Reforecast, would additional funding arrangements from SFC via UHI be

An additional approval process for accounts will be required – dates to be arranged

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<p>required. This was confirmed as likely to be the case</p> <p><u>Budget 2024/25:</u> Clarity was sought on expectations from the Board re the Budget. Chair advised that it was up to SLT to decide whether to come back to the Board with an amended position, however Chair would personally prefer to sign off on a Reforecast rather than a Rebudget.</p> <p><u>Standard Report Items:</u> Committee received updates on Estates, HR and Digital Transformation, and noted minutes from EDIT, JNC and Perth Staff Group</p> <p><u>Any Other Business:</u> Committee were advised that information had been received re the UHI OBC paper not now being ready until January – alternative dates for UHI Perth Board to consider to be arranged</p>	<p>Committee requested a Recovery Plan to cover those areas under Perth's control ASAP.</p> <p>Chair requested greater understanding be provided to Board members around the journey the Finance Dept has been on over a number of years to provide context of where things currently stand in comparison – to be taken forward for a future Development Session</p>
<p><b>Committee Chaired by:</b> <b>Graham Watson</b></p>	<p><b>Date of next meeting:</b> <b>19 March 2025</b></p>

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## Board of Management – Standing Committee Summary

Paper No: 11f

<b>Name of Committee:</b> <b>Audit</b>	<b>Date of Committee:</b> <b>11 Dec 2024</b>
<b>Key Issues discussed:</b>  <b>Enterprise Risk Management Report &amp; Strategic Risk Register</b> Depute Principal (Operations) presented Full Risk Report showing progress against risks outlined by the ERM Risk Register The process is becoming embedded, the report is clear and highlights key risks and controls.  <b>External Audit</b> Plan is to pause external auditor activity on the 23/24 External Audit to allow the Perth team (Contractor and new Finance Manager) to address the backlog of questions that have built up. Plan is to reengage with Deloitte in January and complete the audit by end of February  <b>Internal Audit Annual Report 2023/24</b> A positive report was presented that the College has adequate and effective arrangements in place. Committee approved 24/25 plan  <b>Internal Audit Reports 2023/24</b> Student Activity Data Audit & Student Support Funds Report were positive  <b>Follow-Up Reviews</b> Highlighted lack of progress on internal audit actions. Progress is disappointing but understandable given uncertainty particularly on UHI transformation, shared systems & finance resource.  <b>FOI &amp; Data Protection</b> Clerk presented the Freedom of Information & Data Protection quarterly update are in line with recent trends	<b>Actions agreed:</b>  New People Risk Category was reviewed and approved          Management will review progress in December and have extended contractor to end January. Further extension will be considered if end February completion date is at risk          Focussed review to rationalise open actions which are out of date and to ensure confidence in the new dates. This work will be completed before next Audit committee.          Response type details (e.g. Provided full response...) will be added to the report

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<p>Clerk introduced ICO Accountability Tracker</p> <p>Several improvement opportunities have been identified.</p> <p><b>AOB</b></p> <p>Board health and safety champion still to be nominated for the H&amp;S Committee</p> <p>Terms of liquidity payment had been received just before the board and a brief update was provided</p>	<p>A progress report will be provided to the committee every 6 months.</p> <p>To be raised at the next board meeting</p>
<p><b>Committee Chaired by:</b> <b>Derek Waugh</b></p>	<p><b>Date of next meeting:</b> <b>19 March 2025</b></p>

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**BOARD OF MANAGEMENT**

Paper 12

**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**