UHI | PERTH

Board of Management

Agenda

Meeting reference: Board 2024-25/01
Date: Wednesday 23 October 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 Extraordinary Board meeting held on 05 June 2024	Clerk	Chair	Paper 1
*5	Minutes of the Board meeting held on 06 June 2024	Clerk	Chair	Paper 2
*6	Actions arising from previous minutes		Chair	Verbal
7	**Standing & Additional Reports**			
*7.1	Chair's Report & UHI Target Operating Model Update		Chair	Verbal
*7.2	Principal's Report	Principal	Principal	Paper 3
*7.3	HISA Perth Report	HISA Perth	Student Board Member	Paper 4
8	**Audits & Financial Reporting**			
8.1	UHI Perth Management Accounts to 31 July 2024	Depute Principal (Operations)	Depute Principal (Operations)	Paper 5
8.2	UHI Perth FFR	Depute Principal (Operations)	Depute Principal (Operations)	Paper 6

	Agenda Items	Author	Led by	Paper
9	**Items for Approval/Endorsement**			
*9.1	UHI Perth Budget 2024-25	Depute Principal (Operations)	Depute Principal (Operations)	Paper 7
*9.2	Pension Strain	Director of HR	Principal	Paper 8
*9.3	Annual Health & Safety Report (Including H&S Statement of Intent)	Health, Safety & Wellbeing Officer	Principal	Paper 9
*9.4	UHI Perth Board of Management External Effectiveness Review	Candy Munro, CDN	Chair	Paper 10
*9.5	Review of Scheme of Delegation and Committee Terms of Reference	Clerk	Clerk	Paper 11
10	**Compliance, Risk & Performance Monitoring**			
10.1	Balanced Scorecard	Depute Principal (Operations)	Depute Principal (Operations)	Paper 12
11	**Standing Committee Summaries**			
11.1	Chairs' Committee – 27 August 2024	Chair - BoM	Chair - BoM	Paper 13a
11.2	AST Board – 04 September 2024	Chair – AST	Chair – AST	Paper 13b
11.3	Learner Experience Committee – 11 September 2024	Chair – Learner Experience	Chair – Learner Experience	Paper 13c
11.4	Strategic Development Committee – 17 September 2024	Chair – Strategic Development	Chair – Strategic Development	Paper 13d
11.5	Finance & Resources Committee – 26 September 2024	Chair – F&R	Chair – F&R	Paper 13e
11.6	Audit Committee – 09 October 2024	Chair – Audit	Chair – Audit	Paper 13f
12	Date & Time of Next Meeting • **Wednesday 18 December 2024, 5:00pm**	Clerk		
*13	Review of meeting (Committee to check against the Terms of Reference to ensure all competent business has been covered)		Chair	Paper 14

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Extraordinary Board of Management

DRAFT Minutes

Meeting reference: Board 2023-24/04/E1
Date and time: Wednesday 05 June 2024 at 5.00pm
Location: Online

Members present: Graham Watson, Chair, Board of Management
Jim Crooks, Vice Chair
Jenny Hamilton, Chair, Strategic Development Committee
Derek Waugh, Chair, Audit Committee
Mary Fraser, Board Member
Jenni Harrison, Board Member
Chris Lusk, Board Member
Debbie McIlwraith-Cameron, Board Member
Elaine Piggott, Board Member
Ian Robotham, Board Member
Alistair Wylie, Board Member
Margaret Cook, Principal & Chief Executive
Patrick O'Donnell, Staff Board Member
Fiona Smith, Student Board Member
Ronnie Dewar, Trade Union Board Member
Winston Flynn, Trade Union Board Member

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

Apologies: Rebecca Bond, Student Board Member
Veronica Lynch, Vice Principal (External)

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

MINUTES

Item		Action
1.	**Welcome and Apologies** Chair welcomed all to the meeting and noted apologies. Chair noted that there was no specific expectation to reach any final decisions today, with the focus being on gaining a better understanding around the current status of the Sustainability Plan and potential financial solutions.	
2.	**UHI Perth Sustainability Project** Chair invited Principal to update the Board on the current position around the Perth Sustainability Project. Principal noted that consultation with the Trade Unions had now been ongoing since April, generally meeting twice a week, based on the original consultation paper and subsequent counterproposals from Trade Unions, staff and HISA. These discussions have been difficult but constructive. Principal noted that a key aspect of the consultations have focused on how much money is being taken out of the equation, with the initially figure being based on the agreed £4m per previous assumptions. However, since the funding position for 2024/25 has been clarified, management are seeking guidance on the Board's preferred position as a result of this new information. Chair queried what the landscape for future funding looked like. Principal advised that, in terms of the UHI Executive Office budget, the top-slice will remain as before as the UHI Outline Business Case for a single institution has not yet been published and this will take time to filter through. Principal also noted that the Academic Pay Offer for Year 4 is expected to be flat cash at best therefore there is no expectation of a dramatic improvement in the financial landscape locally or within the sector. Depute Principal (Operations) provided a brief update prior to introducing a range of scenarios for discussion, highlighting that a 3-year period had been looked at for both maximum and minimum savings positions, plus other options in between to provide 5 scenarios, and noted that the key assumptions provided had been applied with sensitivity analysis. Interim Head of Finance summarised the key points on Slide 1 of a brief presentation. Independent Board Member sought clarification on the reasons behind the assumptions applied. Interim Head of Finance noted that assumptions were based on prudence rather than just flat cash.	

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	Independent Board Member queried why 2% was being applied given the massive fluctuations this year. Depute Principal (Operations) advised that the bottom line is the future is unknown therefore there was a need to adopt a reasonable assumption albeit with caveats. Chair sought greater clarity around why the Grant Letter was so far adrift from previous assumptions as this gets to the heart of the previous questions. Principal advised that, when the Scottish Government provided figures at the end of 2024, they were predicting a significant reduction in student numbers; it had also been assumed that this would be of a level similar to the post-COVID drop since UHI had not delivered to target numbers; however, UHI ended up with a slightly higher allocation and UHI Perth received a larger slice of this allocation than previous. Principal further advised that FE income is likely to be flat, based on lower actual numbers but with a degree of flex permitted. Chair queried the HE allocation from SFC/UHI. Principal clarified that UHI Perth had received more HE numbers from with UHI due to being more likely to deliver these than other Partners, however there was no guarantee that this position would be repeated in the longer term. Board Member asked what assurances had been sought from UHI re the impact on income from changes made re cost-saving exercises. Principal advised there would be a resulting impact on deliverables, however a loss of income had been taken into account with a tolerance built into assumptions. Chair queried why £4m and £2.7m options show same levels of income. Depute Principal (Operations) noted that the options showed a range between best case and worst case, but that there was no way to reliably predict the future. Chair noted that if £2.6m can be taken out of staffing costs yet still deliver the same income levels, then the college is clearly not particularly efficient. Principal responded that the model is currently inefficient due to the impact of teaching sizes of classes. Board Member stated that it was still unclear how taking staff out of the organisation was not affecting income. Depute Principal (Operations) noted that the Workstreams had looked in depth at these outcomes and the figures provided were the conclusions that had come out of that process. The major difference between the savings figures provided is down to the Scottish Government's change of position with respect to their predictions of cuts across the sector. TU Board Member queried whether assumptions had been based on trends and ratios after the VS process had been concluded.	

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	Principal advised that the trend data is known for every course and is widely shared for planning and monitoring purposes, however the Scottish Government has moved quite a bit from their position at the end of 2023. Staff Board Member noted Principal's reference to "constructive discussions" with the Trade Unions, however this doesn't seem to be reflected in the feedback from Unions, and the negative press surrounding the issue is not a good picture for the College. Principal noted that meetings with the Unions have been extensive with constructive debate around the proposals; while the meetings are difficult, they have been constructive. Trade Union Board Member added that the Unions' position had been based on numbers that did not turn out to be accurate which created tensions, however agreed that the meetings had been professional and constructive up to that point. Board Member noted that income has both a volume and a price aspect therefore there is no guarantee that income will stay the same or increase as there are differences between the funding and the fee. Depute Principal (Operations) agreed, and added that the there is a price attached which differs across the Partnership. Depute Principal (Operations) noted that UHI had listened around the deliverability of student numbers which is why figures have improved, however UHI could come back with a reduction from SFC that could be passed on or applied differently within the Partnership, which is why some assumptions have to be applied. Chair queried whether there was 100% confidence that there wouldn't be a hit to HE numbers resulting in clawback. Depute Principal (Operations) advised that the projections were based on what is thought can be achieved, but 100% guarantees cannot be provided. Application numbers look positive but these still have to be converted. Board Member appreciated difficulties around projections of numbers when so many parameters are out of the College's hands, however sought clarification that Table 1 means that savings will be made despite a reduction the numbers of staff and students. Depute Principal (Operations) confirmed this to be the case, based on Workstream analysis, meaning savings will offset any reduction in student numbers. Board Member queried whether primary goal is to provide confidence to SFC that the College will break even within 3 years. Chair responded that this was partly the case, however there is also a need to look at the College's cash position. Board Member stressed that the numbers being defensible to SFC was a higher priority than them being 100% accurate. Chair queried whether the cash position would be discussed during	

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	this meeting. Depute Principal (Operations) advised that cash analysis would be provided within presentation being made to scheduled Board meeting tomorrow. Board Member stated that it was a struggle from a business perspective to understand how there is an apparent overspend of £1.3m. Interim Head of Finance noted that the numbers are informed by assumptions from the Workstreams, however the proposed changes mean around £2.2m of staff cost savings could be delivered, albeit with a risk that if savings go deeper than this deliverability could suffer. Board Member noted that the Board require robust figures in order to reach an informed decision, and there were still concerns around inefficiencies. Board Member queried that, given the figures presented and projected student numbers, should any thought be given to revisit those areas which may have further impact on student numbers, such as the Nursery. Principal reminded Board that these were proposals as opposed to final decisions, and advised that only a small number of UHI Perth students actually use the Nursery. Depute Principal (Operations) added that, depending on the savings figure opted for, there are some decisions that would have an Impact of student experience and possibly student numbers. Board Member commented that a “best guess” with justifications for the figures is required to allow Board to reach a final decision. Board Member agreed that it would be useful to know the potential impact of operational decisions in order to make an informed decision at Board level. Depute Principal noted that the Workstreams had worked to a savings figure of £4m and had delivered their proposals based on this assumption. Chair noted that the £2.7m figure now being in the public domain had made it more difficult for the Board to reach decisions as this affects the strategic oversight of the numbers. Interim Head of Finance advised that the figures provided reflected the best assumptions that are currently available, and further explained that Scenario 1 delivers deficits of £300k in Year 1, and £1m in Year 2. Additional scenarios provide better pictures but are still subject to variations that might have an impact. In summary, Scenarios 1 and 2 are likely to require future reviews and Scenarios 3 and 4 will inevitably affect student numbers that may worsen the position over time, therefore the most beneficial option over the 3-year timescale is Scenario 3. Chair queried, based on this explanation, whether the income figures for Scenarios 4 and 5 should effectively be ignored. Interim Head of Finance noted that the plans to completely deliver these scenarios haven’t been fully developed. Board Member responded that this needs to be reflected in what is presented to the Board for	

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	decision-making. Board Member warned that joint courses never really work which has an impact on both student numbers and staff retention, which needs to be considered within the decisions being made, In addition, under a flat cash scenario, how does the College plan to generate additional income to avoid reviews such as these being a repeating issue. Principal advised that the Workstreams looked at International and other income-generating areas, but these may be a slow burn. Board Member noted that it would be helpful to understand the process of assessing required student numbers across different programmes and markets. Principal noted that the College utilises trend data for student numbers for this purpose. Depute Principal (Operations) advised that there is a differential between student numbers and student experience and the focus was on making marginal gains without going over the tipping point. Depute Principal (Operations) also advised that there had been some staff cost savings made within Professional Services, therefore not directly impacting on student experience. Board Member queried whether there had been discussion around internal assessment of the increase in suppliers' costs as opposed to using the 2% Bank of England rate. Depute Principal (Operations) noted that there had been no internal assessment as yet, therefore Bank of England assessments had been used. Board Member noted the recent changes within Scottish Government which made it harder to predict what the future funding landscape may look like, and queried whether, to make any of the scenarios available, are VS savings and numbers achievable. Chair agreed this was an important point given the College has gone through VS processes already. Principal advised that VS applications continued to be received but agreed that the numbers would be challenging. Depute Principal (Operations) noted that the focus to date had been on achieving break-even by July 2025 but not beyond, however there is also a need to consider beyond 2025. Chair agreed that there was a need to break-even by this time but did not want the College to go through this process every year. Board Member noted that the top line in the scenarios were focused on maintaining income as opposed to maintaining student numbers and would feel more comfortable if information was available to help inform this area. Principal noted that student numbers and trends are available and have been used by the Workstreams in order to preserve the integrity of the curriculum with a focus on delivery rather than cutting courses.	

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Student Board Member queried whether the proposals' effects on student retention and student recruitment are being considered, noting the recent Education Scotland report which referenced the work of the PATs that are proposed to be cut. Principal advised that Workstreams addressed some of the risk elements in this regard, however there was acknowledgement that if there is a lower savings target then some of the risk areas will be re-examined.

Interim Head of Finance briefly summarised the key points on Slide 2 of the presentation, noting that many of the substantive issues had already been covered within the meeting.

Board Member noted that there appeared to be a recurring theme of insufficient resource within Finance that had been ongoing for some time, and queried why this had not been addressed. Depute Principal (Operations) noted this was not a new issue and has been highlighted several times. Depute Principal (Operations) summarised the challenges experienced in recruiting a permanent Head of Finance, but interviews were due to be held next week, and in addition it was hoped that other roles would also be resolved. A brief discussion around other options available to the College in terms of Finance resource then took place.

Chair sought to bring the meeting to a close by summarising the key points of the meeting:

- the numbers presented are not as robust as the Board would like;
- the discussion has been skewed by change in financial settlement being made public;
- the College still has to deliver on HE numbers;
- it is increasingly challenging to drive VS savings;
- it more likely than not that the Board will be returning to this issue in the future due to the volatility of the sector.

Chair noted that that the presentation provided makes it obvious that lower numbers does not translate into anything other than running out of cash, therefore there is a need to achieve balance and provide a structure that delivers on generating income and making appropriate savings.

Chair further noted that it would be difficult to seek to retain £4m in savings, but the £2.7m position does not look viable, therefore a scenario producing £3-£3.2m savings would seem most helpful in assisting management in balancing the books, but there is a need to articulate this scenario with additional information.

Chair proposed that SLT deliver additional information around the mid-point models, including cash implications, to allow a reconvened Board to make a final decision. This proposal was **AGREED** by the Board.

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	Trade Union Board Member requested that concerns around the Nursery be addressed within the mid-point scenarios due to reputational risk. Principal clarified that this was an operational decision for SLT to consider. Meeting closed at 6:45pm.	
3.	**Date & Time of Next Meeting** • Thursday 06 June 2024 @ 1:00pm	
4.	**Review of Meeting** Board confirmed that the meeting had been conducted in line with the Terms of Reference.	

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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 ☑**

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Board of Management

DRAFT Minutes

Meeting reference: Board 2023-24/04
Date and time: Thursday 06 June 2024 at 1.00pm
Location: Boardroom (Brahan Room 019)

Members present: Jim Crooks, Vice Chair
Jenny Hamilton, Chair, Strategic Development Committee
Mary Fraser, Board Member
Jenni Harrison, Board Member
Chris Lusk, Board Member
Debbie McIlwraith-Cameron, Board Member
Elaine Piggot, Board Member
Ian Robotham, Board Member
Derek Waugh, Board Member
Alistair Wylie, Board Member
Margaret Cook, Principal & Chief Executive
Patrick O'Donnell, Staff Board Member
Fiona Smith, Student Board Member
Rebecca Bond, Student Board Member
Ronnie Dewar, Trade Union Board Member
Winston Flynn, Trade Union Board Member

In attendance: Alastair MacColl, Chair UHI Court (Observer – until Item 7.1)
Joe Mulholland, Education Scotland (re Item 6.1)
Lorenz Cairns, Depute Principal
Lynn Murray, Depute Principal (Operations)
Catherine Etri, Vice Principal (Academic)
Gavin Stevenson, Interim Head of Finance
Ian McCartney, Clerk to the Board of Management

Apologies: Graham Watson, Chair, Board of Management
Veronica Lynch, Vice Principal (External)

Observers: Xander McDade, HISA Perth President-elect
Andi Garrity, HISA Perth Depute President-elect
Candy Munro, CDN

Chair: **Jim Crooks**
Minute Taker: Ian McCartney
Quorum: 9

Current Action Log

Initial Meeting date	Topic	Action	Owner
17 October 2023	Development Trust	Board to receive process update re winding up of Development Trust	Vice Principal (External)
14 December 2023	Approval of Accounts	Extraordinary Board meeting to be organised early in 2024 to scrutinise and approve Financial Statements & Audited Accounts	Clerk

MINUTES

Item		Action
1.	**Welcome and Apologies** Vice Chair noted late change in chairing responsibilities due to Chair being called away. Vice Chair also noted it was to be his last UHI Perth Board meeting after 8 years on the Board. Vice Chair noted that this was also the last meeting of Fiona Smith and Rebecca Bond as Student Board Members, and wished them every success in their future. Vice Chair further noted the impending departures of Catherine Etri and Veronica Lynch, and recorded the appreciation of the Board for their input and guidance over the years. Vice Chair further noted the recent resignation of Michael Buchanan from the Board and recorded thanks for his time and efforts during his tenure. Vice Chair welcomed Joe Mulholland and Candy Munro to the meeting and noted the attendance of the 2 incoming Student Board Members as part of their induction process.	
2.	**Additions to the Agenda** Following the Extraordinary Board meeting held on 5th June 2024, it was agreed to discuss issues around Finance capacity under 7.1.	
3.	**Declaration of Interest in any Agenda Item** There were no Declarations of Interest noted. Clarification was sought by Board Member around the contributions of the Chair of UHI whilst acting as an Observer to Board meetings given the nature of some of the discussions. Clerk clarified that invitation to all Board meetings had been extended the Chair of UHI Court since 2022 with contributions being requested by the Chair of the Board. Vice Chair requested that Chair of UHI Court attend up to Item 7.1 of the agenda.	
4.	**Minutes of Board of Management meeting, 28 March 2024** The minutes were **APPROVED** as an accurate record of the meeting.	

5.	**Matters Arising** **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 Statements & Audited Accounts — Remains Ongoing	
6.1	**Education Scotland Progress Report** Due to the late arrival of the presenter, this item was deferred until later in the meeting.	
6.2	**Chair's Report** In Chair's absence, Vice Chair advised that, with regard to the UHI Target Operating Model business case, the document produced with the support of external consultants EY has now submitted to University Court. In addition, a Partnership Meeting has been scheduled for 18th June, with SFC in attendance, to discuss the OBC, which is understood to be over 100 pages in length. Vice Chair invited Chair of UHI Court to clarify any of these points. Chair UHI Court noted that Chair UHI Perth has met with the consultants EY and Max Brown (Director of Transformation) to help support the preparation of the draft report and has therefore been given an early copy of the draft. The intention is that UHI Court will discuss the draft report on Friday 7th June. Principals will meet to consider shortly thereafter and then the full group of Principals and Partnership Board Chairs will consider the paper. Before the end of the month, the draft report will be presented to board members of all UHI Academic Partners and HISA trustees. The SFC and Scottish Government will be updated as part of the process and the status of Academic Partner Board approval will be made clear. Following that, there will be a short summer break. Principals will then undertake any additional/further work that comes out of the discussions held through June on the OBC, following which there will be individual and detailed consultation meeting on the OBC with each of the Academic Partners Boards.	

	Vice Chair advised that Chair had stressed that there was no presumption of approval until the Board of UHI Perth and other Academic Partners had signed off on the proposals, which Chair UHI Court was happy to make explicit, adding that it was assumed that changes would arise from discussions and that the comfort of all Boards was being sought.	
6.3	**Principal's Report** Principal summarised Paper 3, noting that the main points in the report relate to Item 7.1 in this meeting's agenda. Principal advised that some additional manual work was required to complete the July payroll following the agreed pay award settlement for Professional Services staff. EIS-FELA are now looking at a 4-year deal for teaching staff, however strike action and ASOS were ongoing and impact of ASOS was being monitored. Principal noted continuing concerns re levels of engagement within HISA. Principal informed Board that the Executive Office budget had been discussed at Partnership Council and the request for a reduction in the top-slice for UHI Perth had been refused. Chair of UHI Court added that Court hoped that the Business Case will realise a very different financial situation which should address issues around the operating model, including the top-slice. Board Member expressed concern that UHI Perth is helping to fund the UHI deficit. Chair UHI Court noted that, like UHI Perth, EO is looking at budgets and making some very difficult choices. Board Member appreciated this was the case, but still did not have a good sense of what EO spends top-slice money on and it would be useful for local Boards to understand the efficiency of EO spending. Chair UHI Court agreed this was a reasonable expectation and stressed that there is support for short-term measures while long-term changes are being implemented. Board Member queried whether it was just UHI Perth asking for a reduction in top-slice. Principal clarified that this was an issue across the Partnership albeit at different levels. Board Member queried whether top-slice levels are published within accounts. Principal noted this wasn't the case as funding isn't received as income therefore all that is shown is the amount that is drawn down. Board Member asked why there could not be greater transparency. Chair UHI Court noted that there is clear information on where EO deploys its resources, which includes people, assurance, research, etc. Principal advised that a service catalogue was created under	

	the UHI2024 initiative, but this appears to have been discontinued, although this is being looked at within the current initiative. Board Member observed that without more information on the benefits to UHI Perth it is difficult to assess value for money. Chair UHI Court sought to reassure Board Members that Court were aware of the issues and are working to address these. Paper 3 was **NOTED** by the Board.	
6.4	**UHI Target Operating Model - update** Committee agreed that this item had been covered in some detail under Items 6.1 and 6.3.	
6.5	**Your Students' Association Report** Student Board Member summarised Paper 4, noting that the drop off in Student Voice Reps was a point of concern; a change to SRC meetings was being considered in an attempt to address. Student Board Member highlighted the events hosted over the year which had generated more engagement, particularly the one-off events. Ways were being looked at to encourage more clubs and societies. Student Board Member concluded by thanking those Board Members who attended the OBI event earlier today. Paper 4 was **NOTED** by the Board. Vice Chair thanked the Student Board Members for their work during the year.	
6.1	**Education Scotland Progress Report** Joe Mulholland, Education Scotland noted Paper 2 as read, advising that the full comparative data from SFC was very late in being issued so the report was slightly vague in terms of some of the numbers provided. Board were advised that the UHI Perth were 4% ahead of the Scottish average for full-time FE, and part-time FE was on the sector average but heading in the right direction. Although UHI Perth were slightly below the SSES response rate of 52.5%, the 96.3% satisfaction rate was an incredibly high figure. The Report shows that learners strongly value the PAT support available, and PATs are clearly the go-to people for pastoral and academic help; however, the flip side of this is that the academic reps were not being fully utilised as a result.	

	Additional noteworthy points included teaching staff using self-evaluation modules well, and the quality of the work between Transitions Officers and PKC providing special needs data with only one other college in Scotland producing the same data. Board were asked to note the development points raised around ethnic minority numbers; the need for monitoring to perhaps be implemented more consistently across the college; the opportunity for some teachers to better utilise informal arrangements to enhance teaching and learning; alternative assessment arrangements to avoid the college being stretched; and the significant numbers of Student Voice Reps not utilising training (which may be linked to the success of the PATs). These development areas will be addressed in an Overview Report to be produced in September. Vice Chair noted the positive report despite a challenging environment and thanked staff across the College for their contribution. Board Member agreed with Vice Chair's comments and added that there would be areas of good practice that could be passed on to EO across FE delivery areas. Student Board Member noted that HISA Perth were very aware of the high regard that student have for their PATs, and suggested a higher level of co-ordination between HISA Perth and PATs would be beneficial for students. Board Member noted the 10% discrepancy between FE male and female students and advised there was a need to ensure decisions being made do not exaggerate this gap. Board **NOTED** Paper 2	
7.1	**UHI Perth Sustainability Report – Proposals For Change** Principal presented Paper 5, noting the Paper had been previously issued for Extraordinary Board the previous evening, therefore many aspects of the Paper had been considered there. Principal noted that the Paper did not cover the loan issue discussed at Extraordinary Board, however Principal was able to confirm that UHI are content to work with UHI Perth and SFC to enable an early draw-down of funds, which will be of particular use now the Pay Award for Professional Services staff has crystallised. Chair Audit noted that Extraordinary Board had not landed on a defendable number, although it appeared that £3.2m (option 3) seemed the most likely compromise given that flat income didn't appear to be achievable and options 1 and 2 didn't deliver a break-even position over the longer time.	

	Vice Chair thanks Chair Audit for a useful summation. Depute Principal (Operations) noted that £2.7m was always the break-even position for year-end July 2025 as that was target date; Board Member agreed, however the position also needs to be sustainable thereafter. Board Member noted that the primary role of the Board is to consider the impact of decisions on the student experience and it's difficult to have a sense of this impact and requested some indicators around this, eg student numbers. Principal understands this viewpoint and noted that the series of proposals included higher savings levels to allow management a degree of flexibility and to further engage in consultation before reviewing proposals with assurances provided to the Board around the protection of the student experience. The original intention had been to come back to the Board once the collective Consultation was completed, however as we are now beyond the original date there may be a requirement for an additional Board meeting over the next few weeks. Student Board Member noted that there may not be a Student Board Member available over this period and asked that Board prioritise PATs, study skills and library resources to ensure a focus on students' education. Depute Principal advised that the curriculum had already been looked at to ensure clarity for 1st August and the college will continue to engage with students via surveys, Student Voice Reps, etc. Board Member noted this was comforting to hear, however it was realistic that the level of cuts being proposed will impact of the student experience despite the commitments being made. Depute Principal advised there was always a risk, however students are and always have been the college's core business. Trade Union Board Member queried whether the proposal was committing to a revised period to break-even. Principal noted that the mid-point figure of £3.2m allows a greater period without returning into deficit therefore avoids repeating processes on an annual basis and minimises effects on the student experience. Depute Principal (Operations) added that there is a need to monitor positions regularly and make decisions at the appropriate time. Board Member reiterated the difficulties around Finance capacities and it was clear that strategic decisions were required to ensure sufficient resource. Board **AGREED** that Finance capacities need addresses, and requested that Principal ensures this issue is fully implemented. Board Member queried whether the loan/draw-down on cash would require to be repaid or accounted for. Depute Principal (Operations)	

	advised that this will need repaid, but as noted earlier this would be used for the pay award but not for VS settlements. Board Member sought clarification whether repayment would require Board intervention. Principal noted that the terms of any loan/draw-down are not known as yet as this requires further input from EO and SFC. Board Member queried how momentum on savings would be maintained after 3 years if the top-slice issue is not addressed. Principal responded that this is an iterative process and no decrease in top-slice has been calculated into the projections as this would be difficult to assume, however this may be addressed once a Full Business Case was presented. Vice Chair noted that Board will be seeking further refinement as matters progress, however sought clarification that the Board were content to allow management to progress on the mid-point proposal of £3.2m savings advised to support Paper 5. Board **APPROVED** this proposal. Principal then introduced Paper 5a which would permit management to submit business cases to SFC should individual pension strain costs exceed a certain level and therefore allow an appropriate level of flexibility. Vice Chair advised Board that this proposal was precautionary and that specific business cases would require a minute of a Board Meeting to be presented. Board **APPROVED** Paper 5a.	
7.2	**Election of Vice Chair of Board** Due to the current Vice Chair stepping down as a Board Member after this meeting, Board is required to appoint a Vice Chair from among those members of the Board who have been appointed by the Regional Strategic Body to the Board under the terms laid out in the College Sector Board Appointments: Ministerial Guidance. Board was informed that Derek Waugh had put himself forward for the role of Vice Chair. There being no other nominees, Board **APPROVED** Derek Waugh for the role of Vice Chair, with effect from the end of the current Board meeting. Board were informed that, while the Vice Chair would normally also fulfil the role of Senior Independent Board Member (SIBM) unless otherwise determined by the Board, these roles have been separated out in recent years, and Jenny Hamilton has been recommended by Chairs Committee for this role. Board **RATIFIED** Jenny Hamilton for the role of Senior Independent Board Member	

	with immediate effect.	
7.3	**Your Students' Association Board of Management Project – Local Action Plan** Student Board Member introduced Paper 7, which provided a local action plan for UHI Perth relating to the HISA Board of Management Project, originally approved at Board of Management October 2023. Clerk added that this Paper assisted in ensuring Board's compliance with the Code of Good Governance and achievement of the plan would allow the Board to demonstrate best practice in engaging with our Student Board Members. Board **NOTED** Paper 7.	
7.4	**2024/25 Board & Committee Meeting Schedule** Due to identified issues re Board Member attendance at a number of the proposed dates contained within Paper 8, Board agreed to defer approval of this item pending a redraft of the schedule.	
8.1	**UHI Perth Management Accounts to 30 April 2024 & Financial Outlook** Depute Principal (Operations) presented Paper 9, which presented a high-level detail of the current position, and had been previously scrutinised at Finance & Resources Committee. Depute Principal (Operations) noted that the External Auditors had not yet completed the financial statements for 2022-23. The External Auditors had attend the recent Audit Committee to respond to questions on this issue. External Auditors had apologised for their poor performance and assured Audit Committee that outstanding work on the 2022-23 audit around pension will be completed by mid-July then referred to Audit Scotland to conclude their input by early August with a view to reporting the final audit in late August. Depute Principal (Operations) reported that the 2023-24 External Audit would commence over the summer with the External Auditors seeking to conclude this process by the end of the current calendar year. Chair of Audit drew attention to the apology received from the Senior Audit Partner, noting that this was the first time an apology had been received. Principal advised that the matter had been discussed at Partnership Council as this was a broader UHI issue, and there had been real concerns expressed across the Partnership around timescales being promised.	

	Board Member noted the strength of comments made by Audit Committee to the External Auditors, and promised that Audit would continue to stay on top of the issue as much as within its powers. Depute Principal (Operations) advised that it would be prudent to prepare for the audit to be late again next year as the issues caused by the delay may take some time to be fully resolved. Board **NOTED** Paper 9.	
9.1	**Balanced Scorecard** Board **NOTED** Paper 10.	
9.2	**Annual Report of Safeguarding** Board **NOTED** Paper 11.	
9.3	**HISA Elections Report 2024** Board **NOTED** Paper 12.	
10.	**Standing Committee Summaries** Board received summaries from the Chairs of each Standing Committee and **NOTED** the following minutes: • Chairs Committee – 18 April 2024* • Learner Experience Committee – 24 April 2024 • AST Board – 02 May 2024* • Finance and Resources Committee – 16 May 2024 • Strategic Development Committee – 22 May 2024 • Audit Committee – 28 May 2024 *(full minutes provided rather than summary)	
11.	**Date & Time of Next Meeting** • Tuesday 29 October 2024 @ 5:00pm	
12.	**Review of Meeting** Board confirmed that the meeting had been conducted in line with the Terms of Reference. Vice Chair noted that, as there had been limited time for scrutiny of	

	Papers 10-13 within the meeting, any queries that Board Members may have around these papers can be made online. Principal, on behalf of the Chair of the Board, expressed thanks to Jim Crooks for his contribution to the Board of UHI Perth over the last 8 years, the huge experience he has brought to the Board, and the time and expertise he has generously given over the years. Board fully **ENDORSED** this statement.	

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 ☑**

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Committee Cover Sheet

Paper No.4

Name of Committee	Board of Management
Subject	HISA Perth update – October 2024
Date of Committee meeting	23/10/2024
Author	HISA Perth
Date paper prepared	16/10/2024
Executive Summary Please provide a concise summary of the Paper outlining the purpose, impact and recommended future actions if approved	A summary of developments and activities within the students' association since last Board Meeting.
Committee Consultation Please note which Committees this paper has previously been tabled at, and a brief summary of the outcomes/actions arising from this.	n/a
Action requested	☒ For information ☐ For discussion ☐ For endorsement ☐ For approval ☐ Recommended with guidance (please provide further information, below)
Strategic Impact Please highlight how the paper links to the Strategic Objectives of UHI Perth or the UHI Partnership. If there is no direct link to Strategic Objectives, please provide a justification for inclusion of this paper to the nominated Committee.	In line with HISA Strategy

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Committee Cover Sheet

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

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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	☐	Its disclosure would substantially prejudice the effective conduct of public affairs	☐
Its disclosure would substantially prejudice the commercial interests of any person or organisation	☐	Its disclosure would constitute a breach of confidence actionable in court	☐
Its disclosure would constitute a breach of the Data Protection Act	☐	Other [please give further details] Click or tap here to enter text.	☐

Further guidance on application of the exclusions from Freedom of Information legislation is available via:

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

and

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

Students' Association Update October 2024

Executive Committee Updates

All bar four of our elected officer posts are now filled and clear plans are in place to co-opt students to the remaining places to ensure AP Boards have representation from as early in the academic year as possible. Those officers already in post have received and continue to receive a revised training package covering Boards of Management, governance, PR, comms, events and campaigns, amongst many other things. In addition, officers are being supported this year to create goals and SMART objectives which will help them, and HISA track their delivery and enable clear reporting to Boards. It will also help the officers to articulate their impact for future career and CV purposes.

The Executive team has been proactive in responding to current events and planning future campaigns. They released a statement, in coordination with other Students' Associations and Unions across the UK and the National Union of Students, condemning the right-wing riots occurring throughout the country with a list of actions and calls to the government to protect vulnerable minority groups. Looking ahead, the Executive has begun to strategically plan cross-campus campaigns for the academic year, including a wellbeing and mental health campaign. Additionally, Inverness Depute President Holly, with the support of the Executive has been working on the Network Student Project, which aims to improve engagement with students who are not based on campus or whose courses are delivered entirely online.

Student Voice Rep Updates

Significant improvements to the SVR (Student Voice Rep) system has been undertaken over the summer, including work with staff to better promote the role within APs, development of our data policy around SVRs, and work with EO and others, including through the UHI Student Voice Rep Group which includes relevant Academic Partner staff, to develop approaches to training and engagement of SVRs throughout the year.

In particular, the use of sparqs' SLE model Reflective Questions will be critical to meaningful conversations between SVRs and staff and will be rooted in SVR training. Our priority this year is to ensure a richer impact at programme and Academic Partner level so students can truly be partners in shaping their learning. Our ability to gather information by campus, AP, subject area and regionally means we can build clear pictures of students' ideas and suggestions for enhancement. SVR meetings at Perth will begin in November with information provided to SVRs and academic staff.

As of 16.10.24 there are 159 SVRs registered at UHI Perth with 43 trained in person w/c 30th September and 5 trained in 23/24, bringing the total to 48 trained. Online training will commence w/c 21st October where Perth students will be trained alongside SVRs across UHI. Work is underway with the Quality Department and Directors of Curriculum in identifying gaps for 24/25 to support staff in filling vacancies as well as spotting trends in SVR numbers to help improve engagement at UHI Perth.

Clubs and Societies Updates

We are delighted to report that the AY 23/24 saw a large increase of student groups and membership, with membership sitting around the 800 mark. This growth, alongside our dedicated efforts to support transition processes, means we are beginning the AY 24/25 with more active student groups than ever before. We are beginning the year with 19 societies, 23 sports clubs, and 7 networks. We estimate that we have about 700 returning members for this year. These numbers will continue to grow, as we engage in new approaches to supporting students to start groups and promoting what we already have. In addition to our work on expanding engagement, we are also launching a directory of opportunities for students to volunteer and/or find recreation out in their local communities.

Board of Management Updates

Work has continued to develop resources related to the organisation's Board of Management Project. Officers have received extensive internal training and attended College Development Network's Student Board Member Induction training in September. Work is also underway to create resources for Boards to explain HISA as an organisation to provide better insight and understanding into our work and the work of our elected student officers. These will be shared and discussed at upcoming meetings with UHI Governance Professionals in the coming weeks.

Other Key Updates

Advice Service

The Advice Service returns for another year in anticipation to support more UHI students, especially since Housing has been added to the key areas of support. The service's caseworker has achieved a housing qualification offered by Shelter Scotland, Housing Law Advice – Casework, and can now support students with their housing problems and aid them in realising their rights. Further guidance will be freely available to students via the student association's website in the first instance and specialist support if required.

The service is also working in partnership with Strathclyde Union, particularly their Advice Hub, to offer coverage of leave when needed so UHI students are not at a disadvantage and can still access support from a knowledgeable and leading source of support. In return, the service will offer support on their caseloads which will give our advisor further knowledge and experience of student matters.

Strategic Developments in HISA

We commend to Board members two new publications that illustrate the distance HISA has travelled in recent months and the journey we are now aspiring to – the HISA Impact Report for 2023/24 and our strategic plan for 2024-2027.

As these documents will illustrate, the past year or so has been a time of considerable change and development for the Students' Association, including new senior staff appointments, the introduction of KPIs for the first time as part of our new strategy, and the reaffirmation of our name as the Highlands and Islands Students' Association or HISA.

Over the past year we have reassessed many of our internal processes especially related to SVRs, officer training and support for officers on Boards of Management and this work is ongoing. Externally and on the ground in APs, we have delivered more events for students than ever before, supported students through change, significantly grown the number of clubs, societies and networks and celebrated major student sporting successes. All of this work has led to a 9% increase in our NSS score this year as an SU and we already have more SVRs recruited for the 24/25 academic year than in any past year, to name but two positive impacts of our work.

From these developments we want to ensure that we maintain a strong partnership with Boards, providing regular updates on our work but, more importantly, engaging in meaningful dialogue with you about the future of the UHI and the student experience. Boards will be very aware of the potential for huge change that the UHI transformation project represents, and we strive to ensure that students are at the heart of these decisions – as the primary focus of deliberations as well as at the table as partnered stakeholders, and as the first principle in our new strategy.

We are using the above publications as springboards for conversations with senior management teams and Boards across UHI, to unpack the strategy and its three core priorities and align these with APs' views about the direction we can take in partnership to deliver on them. We look forward to the discussions to come. Emails to Principals and Chairs of boards across UHI will receive communications from HISA in due course.

Organisational Update

In addition to the officers, HISA and UHI have now appointed a Subject Intern as part of a pilot approach within UHI's Cognate Subject Groups, thanks to part funding from UHI LTA's Scholarship Fund. This post will bring

student expertise to subject area discussion in academic committees and various panels such as approvals, validations and internal quality processes. We will work with LTA and others to evaluate this pilot prior to considering an expansion in 25/26 and in the context of UHI's continuing developments. HISA has also appointed Paul Stalker as its new Insight and Democracy Officer who, among other responsibilities, will conduct a thorough review of our democratic and election processes, our articles and ordinances, and bring a fresh view to our election processes with the aim of significantly increasing our election turn out for the spring 2025 election round, as well as providing support to student officers through policy research.

The first draft of our HISA Impact Report for 23/24 has been written for scrutiny and approved by the HISA Trustee Board in late September. HISA has also approved a new Gaelic plan which it will work through with the support of UHI over the next few years and is also currently working on a revised Student Mental Health Agreement for approval and launch this autumn. And finally, HISA is working with EO on agreeing how HISA and the wider student body will be involved in the UHI Transformation programme as 24/25 progresses.

External engagement

Complementing our work across UHI on strengthening student engagement in quality and governance, we are also engaging nationally in several forums to shape the learning experience. We are currently engaging in the Scottish Government's consultation on Post-School Education and Skills Reform and the QAA's consultation on the methodology for the Tertiary Quality Enhancement Review, drawing on HISA's unique perspective as a tertiary students' association in a federal institution with a diverse curriculum and student profile.

HISA at UHI Perth

The new Perth team Xander McDade (President) and Andi Garrity (Depute President) began their terms on 1st August and have had a suite of training and introductory meetings. They are now planning their objectives for the year to increase events and activities on campus alongside minimising the impact of restructuring to Perth students.

The team presented at Welcome to Academic Year 24/25 to outline the work the team had done and ways in which the students' association can work in partnership with UHI Perth.

Freshers at UHI Perth took place from Sunday 25th – Friday 30th August with events like Freshers Fair, Sporting Give it a Go sessions, a welcome BBQ for students in halls of residence and a beach party.

We have been able to visit 57 classes for induction talks throughout the first semester which has supported recruitment for SVRs.

The team are planning a suite of events throughout the first semester which will be promoted in the coming weeks.

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Committee Cover Sheet

Paper 5

Committee	Board of Management
Subject	Management Accounts to 31 July 2024 (unaudited)
Date of Committee meeting	23/10/2024
Authors	Gavin Stevenson, Director of Finance
Date paper prepared	24/09/2024
Executive summary of the paper	This paper includes the unaudited management accounts for the 2023/24 financial year – 1 August 2023 to 31 July 2024.
Consultation How has consultation with partners been carried out?	Paper previously presented to Finance &Resources Committee, 26 September 2024.
Action requested	☒ For information ☒ For discussion ☐ For recommendation ☐ For approval
Resource implications (If yes, please provide details)	Yes
Risk implications (If yes, please provide details)	**Yes** Notes the risk to financial sustainability
Link with strategy Please highlight how the paper links to the Strategic Plan	Financial sustainability
Equality and diversity If yes, please give details:	No

Committee Cover Sheet

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

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

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

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

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Financial Performance Review

Q4 23/24

Group Overview

Actual YTD 23/24	Academic	Business	Services	Total
Funding	15,755	158	1,026	16,939
Tuition Fees	4,269	1,578	0	5,848
Commercial	1,807	1,345	1,105	4,257
Total Income	**21,832**	**3,080**	**2,131**	**27,043**
Staff Costs	13,258	2,140	5,936	21,334
% Income	60.7%	69.5%	278.5%	78.9%
Non-Staff Costs	1,576	1,077	4,738	7,391
% Income	7.2%	35.0%	222.3%	27.3%
Surplus/(Deficit)	**6,997**	**-136**	**-8,542**	**-1,681**
% Income	32.1%	(4.4)%	(400.8)%	(6.2)%

Actual YTD 22/23	Academic	Business	Services	Total
Funding	16,321	184	1,364	17,869
Tuition Fees	3,634	1,950	0	5,585
Commercial	2,010	1,198	1,047	4,255
Total Income	21,965	3,332	2,411	27,709
Staff Costs	14,015	2,015	5,724	21,754
% Income	63.8%	60.5%	237.4%	78.5%
Non-Staff Costs	1,619	1,118	4,591	7,328
% Income	7.4%	33.6%	190.4%	26.4%
Surplus/(Deficit)	**6,331**	**199**	**-7,903**	**-1,374**
% Income	28.8%	6.0%	(327.8)%	(5.0)%

We do not have a budget in place for 23/24 so financial analysis compares actual performance against prior year.

1 **Income**

Income is £0.665m lower vs last year driven by Academic funding (£0.134m - of which £0.566m is Funding and £0.203m is Commercial, partly offset by Tuition fees £0.635m higher), Services £0.280m and Business £0.252m.

2 **Staff Costs**

Staff costs are £0.420m lower vs last year largely driven by Academic £0.757m lower primarily as a result of voluntary severance enacted in prior year and lower cost of contracted staff. Reductions are across the board with STEM £0.132m, BMCL £0.244m, CCI £0.404m and ALS £0.243m. This is partly offset by higher staff costs in Business £0.124m (AST £0.083m) and Services £0.212m. Recruitment was also delayed across both Academic and Professional Services in 23/24 driving lower staff costs.

3 **Non-Staff Costs**

Non-staff costs are £0.063m higher vs prior year largely driven by ICT £0.125m, Business Services £0.115m, Canteen £0.046m and AST £0.040m, partly offset by Estates £0.133m, Residences £0.088m and Academic £0.043m (of which STEM £0.092m and ALS £0.068mm partly offset by BMCL £0.062m and CCI £0.050m).

Academic Performance

Actual YTD 23/24	STEM	BMCL	CCI	ALS	Research	Academic Total
Funding	3,961	3,424	2,892	5,435	44	15,755
Tuition Fees	819	1,231	871	1,284	65	4,269
Commercial	1,343	174	93	130	66	1,807
Total Income	**6,122**	**4,829**	**3,856**	**6,850**	**175**	**21,832**
Staff Costs	3,434	3,059	2,318	4,258	190	13,258
% Income	56.1%	63.3%	60.1%	62.2%	108.9%	60.7%
Non-Staff Costs	635	447	320	143	32	1,576
% Income	10.4%	9.3%	8.3%	2.1%	18.1%	7.2%
Surplus/(Deficit)	**2,053**	**1,323**	**1,218**	**2,449**	**-47**	**6,997**
% Income	33.5%	27.4%	31.6%	35.8%	(26.9)%	32.1%

Actual YTD 22/23	STEM	BMCL	CCI	ALS	Research	Academic Total
Funding	3,942	3,313	3,453	5,538	75	16,321
Tuition Fees	663	1,016	793	1,123	39	3,634
Commercial	1,316	273	14	207	201	2,010
Total Income	**5,921**	**4,602**	**4,260**	**6,867**	**315**	**21,965**
Staff Costs	3,566	3,303	2,458	4,501	187	14,015
% Income	60.2%	71.8%	57.7%	65.5%	59.4%	63.8%
Non-Staff Costs	727	385	270	211	26	1,619
% Income	12.3%	8.4%	6.3%	3.1%	8.3%	7.4%
Surplus/(Deficit)	**1,628**	**913**	**1,532**	**2,156**	**102**	**6,331**
% Income	27.5%	19.8%	36.0%	31.4%	32.3%	28.8%

Income

Income is £0.134m lower vs prior year:

1. **Funding** – £0.566m lower largely driven by lower HE student numbers vs prior year.
2. **Tuition Fees** – £0.635m higher. BMCL £0.215m, ALS £0.162m, STEM £0.156m and CCI £0.077m.
3. **Commercial** – £0.203m lower driven by Research £0.135m, BMCL £0.098m and ALS £0.077m, partly offset by CCI £0.080m and STEM £0.027m.

Staff Costs

4. See Staff Costs under Group Overview in slide 2.

Non-Staff Costs

5. Non-staff costs are £0.043m lower largely driven by STEM £0.092m and ALS £0.068m, partly offset by BMCL £0.062m and CCI £0.050m as staff continue to work hard to minimise expenditure wherever possible.

Business

Actual YTD 23/24	AST	Residences	ASW	Nursery	Total
Funding	0	0	0	158	158
Tuition Fees	1,578	0	0	0	1,578
Commercial	47	443	684	171	1,345
Total Income	**1,625**	**443**	**684**	**329**	**3,080**
Staff Costs	1,230	0	525	384	2,140
% Income	75.7%	0.0%	76.8%	116.9%	69.5%
Non-Staff Costs	693	231	134	20	1,077
% Income	42.6%	52.1%	19.6%	6.1%	35.0%
Surplus/(Deficit)	**-298**	**212**	**25**	**-76**	**-136**
% Income	(18.4)%	47.9%	3.7%	(22.9)%	(4.4)%

Actual YTD 22/23	AST	Residences	ASW	Nursery	Total
Funding	0	0	0	184	184
Tuition Fees	1,950	0	0	0	1,950
Commercial	21	499	566	111	1,198
Total Income	**1,971**	**499**	**566**	**296**	**3,332**
Staff Costs	1,148	0	503	364	2,015
% Income	58.2%	0.0%	88.9%	123.3%	60.5%
Non-Staff Costs	652	318	124	23	1,118
% Income	33.1%	63.7%	22.0%	7.9%	33.6%
Surplus/(Deficit)	**172**	**181**	**-62**	**-92**	**199**
% Income	8.7%	36.3%	(10.9)%	(31.1)%	6.0%

1 **AST**

The loss of key customer Leonardo at the start of 23/24 results in FY income £0.347m lower vs prior year, with staff costs £0.083m higher driven by a pay award and non-staff costs £0.040m higher. This drives a deficit of £0.298m for 23/24. Given the budget for 24/25 shows a deficit of £0.165m, AST Board have asked to see monthly cashflow forecasts to assess the going concern position of AST.

2 **Residences**

Income is £0.056m lower vs prior year driven by lower summer lets, however, non-staff costs reduced by £0.088m driving an increased surplus of £0.212m.

3 **ASW**

The closure of a Live Active site has seen customer numbers increase alongside a price increase of 25% driving income £0.118m higher. Staff costs are £0.022m higher with non-staff spend broadly in line with prior year.

4 **Nursery**

Despite income being ahead of prior year, driven by a 35% price increase, a full year deficit of £0.076m was forecast which lead to the decision to close the nursery as part of the Organisational Restructure.

Services (Overheads)

Actual YTD 23/24	Student Services	Estates	ICT	Canteen	Business Services	Services Total
Funding	62	760	66	0	138	1,026
Tuition Fees	0	0	0	0	0	0
Commercial	82	117	5	676	225	1,105
Total Income	**144**	**877**	**72**	**676**	**363**	**2,131**
Staff Costs	1,282	858	480	0	3,315	5,936
% Income	892.3%	97.8%	670.5%	0.0%	913.4%	278.5%
Non-Staff Costs	331	1,762	714	806	1,125	4,738
% Income	230.1%	200.9%	996.3%	119.2%	310.1%	222.3%
Surplus/(Deficit)	**-1,469**	**-1,743**	**-1,122**	**-130**	**-4,078**	**-8,542**
% Income						

Actual YTD 22/23	Student Services	Estates	ICT	Canteen	Business Services	Services Total
Funding	72	985	66	0	242	1,364
Tuition Fees	0	0	0	0	0	0
Commercial	120	45	1	673	207	1,047
Total Income	**191**	**1,030**	**67**	**673**	**449**	**2,411**
Staff Costs	1,300	914	546	0	2,964	5,724
% Income	679.4%	88.7%	813.7%	0.0%	659.9%	237.4%
Non-Staff Costs	336	1,896	589	760	1,010	4,591
% Income	175.6%	184.0%	878.4%	112.8%	224.9%	190.4%
Surplus/(Deficit)	**-1,445**	**-1,779**	**-1,068**	**-86**	**-3,525**	**-7,903**
% Income	(755.0)%	(172.7)%	(1592.0)%	(12.8)%	(784.7)%	(327.8)%

1 **Estates**

Estates income is actually ‘funding for estates maintenance’. Spend is £0.153m lower this year as we carried out qualifying estates maintenance at a slower rate than prior year based on the funding we received. This also drives £0.055m lower staff costs and £0.133m lower non-staff costs vs prior year.

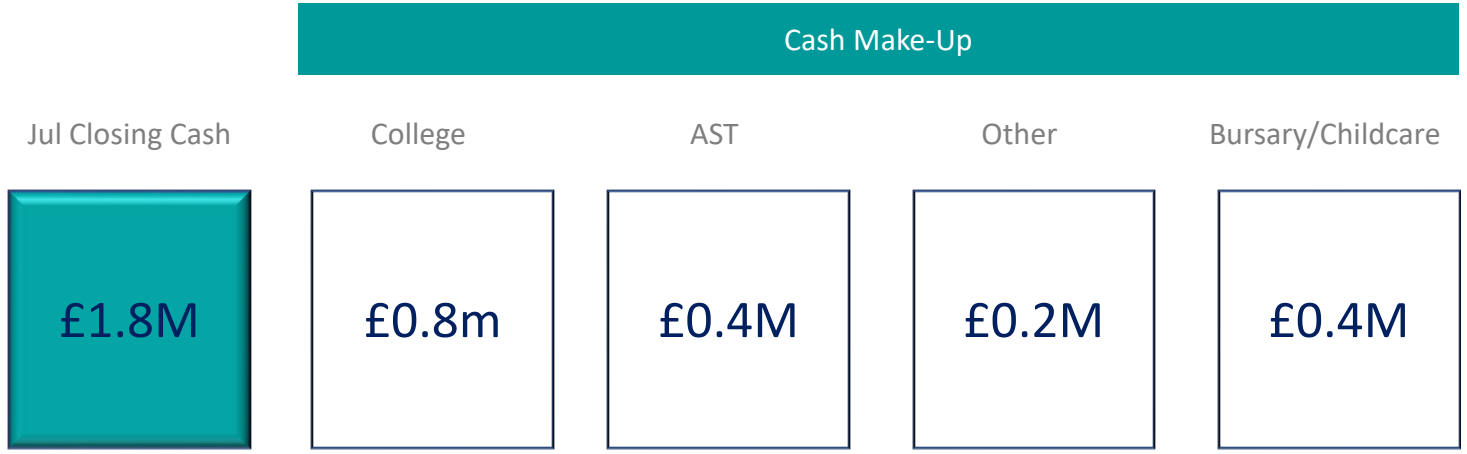
2 **ICT**

Staff costs are £0.065m lower driven by savings from prior years severance programmes. ICT estate spend of £0.714m is higher than prior year, however, this represents further underinvestment in our IT estate and will require an element of catch up in the near future if budgets permit.

3 **Business Services**

This comprises all other departments. Staff costs are £0.351m higher vs prior year as all of the Voluntary Severance costs as well as payment in lieu of notice is charged to Business Services.

Cash


Cash Make-Up
Jul Closing Cash
College
AST
Other
Bursary/Childcare
£1.8M
£0.8m
£0.4M
£0.2M
£0.4M

UHI Perth College Paper 6

Committee	Board of Management
Subject	FFR 2024/25 – 2026/27
Date of Committee meeting	23/10/2024
Author	Gavin Stevenson, Director of Finance
Date paper prepared	16/10/2024
Executive summary of the paper	Submission of UHI Perth's FFR (Financial Forecast Return) for 2024/25 and the following two financial years.
Consultation How has consultation with partners been carried out?	Discussion with the Executive Office of UHI took place before submission of the FFR
Action requested	☒ For information only ☐ For discussion ☐ For recommendation ☐ For approval
Resource implications (If yes, please provide details)	**Yes** Forecast income and expenditure for a three year period.
Risk implications (If yes, please provide details)	**Yes** Notes the risk to financial sustainability
Link with strategy Please highlight how the paper links to the Strategic Plan, or assist with: • Compliance	Financial sustainability

• National Student Survey • partnership services • risk management • other activity [e.g. new opportunity] – please provide further information	
Equality and diversity **No** If yes, please give details:	Click or tap here to enter text.
Island communities Does this activity/ proposal have an effect on an island community which is significantly different from its effect on other communities (including other island communities)?	**No** If yes, please give details: Click or tap here to enter text.
Data Protection Does this activity/ proposal require a Data Protection Impact Assessment?	**No** Set out any data protection aspects and whether a data protection impact assessment is needed
Status (e.g. confidential/non confidential)	Non-Confidential
Freedom of information Can this paper be included in "open" business?* **-Yes**	Papers should be open unless there is a compelling reason for them to remain closed. If a paper, or parts of a paper, are to remain closed the reason for that exemption must be specified – see reasons below

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

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

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

UHI Perth

FFR 2024/25

1. Each year there is a statutory deadline to submit the FFR (Financial Forecast Return) by 30 June to the Scottish Funding Council. UHI Perth shared the FFR with the Executive Office of UHI prior to submission. An extension was given to 3 July 2024 this year due to staff changes and holidays.

2. The FFR includes detailed spreadsheets showing figures for 2022/23 actuals, 2023/24 forecast (current year at 30 June) and a three-year forecast for 2024/25, 2025/26 and 2026/27. The table below shows a summary for 2024/25 and the following two financial years based on several assumptions (appendix 1).

3. In March 2025 a MYR (Mid-Year Review) is due to be submitted, which provides an update on the actual figures and revised forecast for that year.

	FFR 2024/25 £000	**FFR 2025/26 £000**	**FFR 2025/26 £000**
Income	26,177	26,177	26,177
Staff cost	(19,376)	(18,502)	(19,057)
Non-staff cost	(6,907)	(7,042)	(7,183)
Surplus/ (deficit)	(106)	633	(63)
Depreciation	(2,026)	(2,009)	(1,995)
Profit/ (loss)	(2,132)	(1,376)	(2,058)

Appendix 1

Summary of key assumptions and basis of preparation

Organisational Change

The financial sustainability of the whole of the College sector in Scotland has come under significant pressure in recent years, resulting in the majority of colleges requiring to implement savings proposals. UHI Perth is also experiencing significant financial challenges from a range of internal and external factors and the Board instructed the Senior Leadership Team to put in place a plan for financial sustainability.

During 2023/24 we carried out an organisational review supported by a number of workstreams led by members of our leadership group and involving all staff. These workstreams generated a list of recommendations on where staff and non-staff savings could be made, with the aim of **minimising any detrimental impact on the student experience** which is at the core of our purpose.

The initial view to target staff savings of ~£3m and non-staff savings of ~£1m was based on the assumption of reduced funding in 2024/25. Following receipt of the funding allocation which shows broadly flat cash, and accounting for savings already made through previous voluntary service, we had a revised total savings target of £2.7m.

We modelled five scenarios for the 3-year period based on savings targets ranging from £2.7m to £4.0m. The key assumptions behind these were:

- Income reduction of 2% in 2025/26 and 2026/27 in case there was a drop in student numbers due to the changes made (*note we have assumed flat cash for FFR in line with guidance*).
- Staff savings to be made through voluntary severance (vs) with vs costs assumed at 50% of the savings made.
- All staff reductions implemented in first quarter of 2024/25.
- Staff costs adjusted for current pay award of £5,000 with further 3% annual increase in 2025/26 and 2026/27.
- Inflation of 2% applied to non-staff costs.

While the model indicated that savings of £2.7m would lead to a breakeven profit position in 2024/25, this scenario then showed significant deficits in 2025/26 and 2026/27.

Conversely, in order to achieve overall savings of £4.0m, we would be targeting staff cost savings of ~£3.8m, which was significantly in excess of our initial proposals and would unquestionably lead to an impact on services provided and reduction in student numbers and therefore core funding and is not considered an achievable outcome.

These scenarios were presented to the Board in early June 2024 and we were given approval to target total cost savings of £3.2m of which **£2.2m would be staff savings**. This scenario is shown in the table below:

Savings Target	£3.2m		
	24/25 £k	25/26 £k	26/27 £k
Income	22,732	22,325	21,928
Staff costs	18,024	17,243	17,760
Non-staff costs	4,288	4,373	4,461
Surplus/(Deficit)	**420**	**708**	**(293)**

We will continue work on the detailed budget for 2024/25 which will be approved at the next Board cycle. The key variances between the approved model and the FFR as submitted are as follows:

- FFR assumes flat cash across the FFR period. The approved model assumes 2% reduction in 25/26 and 26/27.
- The approved model included £200k of additional commercial income in 24/25, 25/26 and 26/27 which we have not accounted for in FFR.
- Staff cost savings of £1.2m have been confirmed and have been adjusted in the FFR and we have assumed that the remaining £1m will be actioned in 24/25, albeit these have been phased such that staff costs reduce by £0.5m in 24/25 with the full £1m reduction impacting in 25/26 and 26/27. Associated severance costs of £0.5m have been assumed as paid in 24/25.
- The scenario modelled does not include any loan funding to support the backdated pay award and VS costs (see note below).

The FFR shows the following as comparative Surplus/Deficit figures to those in the model:

- 24/25 – surplus of £106k
- 25/26 – surplus of £633k
- 26/27 – deficit of £63k

FFR Basis of Preparation and Assumptions

Income

Income for 2024/25 is based on the funding allocation and the following assumptions:

- The initial main income for the FFR has been calculated using the final figures received from SFC/UHI for FE/HE Teaching Grant, FE/HE Estate Grant and Student Support (FECC), HE REG.
- The figures presented for Tuition Fees, OIGA and Other Income assumes at this time that they will be the same as 2023-24.

Staff Costs

Staff costs for 2024/25 have been calculated based on staff as at 31 May 2024, adjusted for known leavers as a result of the organisational restructure, and include the additional £5,000 pay award for all staff (*Note: this has not been accepted by academic staff as of date of submission)*. The cash impact of the backdated pay awards have been included for Professional Support staff in 2023/24 and for Academic staff in 2024/25.

As noted above, we have also included £500k of additional savings based on completing the staff reductions during 2024/25 albeit phased across the year.

Confirmed restructuring costs of £340k have been included in 2024/25 staff costs which represents known voluntary severance costs as at 21 June 2024. We have also included the additional £500k of assumed severance costs in 2024/25 based on achieving the additional £1m savings.

Non-Staff Costs

The costs are based on £3.2m scenario as shown above, with the assumption of a 2% inflation increase on 2023/24 costs less the £300k savings anticipated via the workstreams.

Balance Sheet

Fixed Assets: Capital Expenditure

We have assumed no Capital Expenditure in 24/25 or subsequent years as we believe the Capital Grant will be used for Repairs and Maintenance and other non-capex spend such as room refurbs and office moves as we look to make the most efficient use of our campus to optimise the student experience.

Debtors

Debtors have been assumed to be in line with expected 31 July 2024 position with a reduction of £170k for Flexible Workforce Development Fund no longer applicable.

Cash and Cash Equivalents

Cash at 31 July 2024 has been taken from our most recent cashflow forecast as submitted on 14 June 2024 which showed a surplus of 984k of which £500k relates to AST, £140k relates to Student Support and other committed funds of ~£400k.

Amounts owed to SFC

Based on our current requirement to fund the Academic Pay Award of ~£1.9m, we believe we will require a loan from UHI EO/SFC of £2m which we have assumed is drawn down in August 2024. We have assumed a 5-year repayment profile so that £400k is repaid each year with the initial repayment falling due on 31 July 2025.

Other Creditors

We have assumed a BAU level of other creditors at £6.0m based on prior year financial statements. We have added the Academic Pay award of £1.9m to 31 July 2024 balance sheet to reflect this amount owed in 24/25.

Pension Provision

We have assumed a 3% reduction in Academic pension provision from 24/25 based on the increase from 23% to 26% and a 1.4% increase in Support Services pension provision from 24/25 based on the decrease from 17.1% to 15.7%.

UHI Perth Paper 7

Committee	Board of Management
Subject	UHI Perth - Draft 2024/25 Budget
Date of Committee meeting	23/10/2024
Authors	Gavin Stevenson, Director of Finance Lynn Murray, Depute Principal - Operations
Date paper prepared	16/10/2024
Executive summary of the paper	This paper includes the draft 2024/25 budget of £1.157m deficit, which is tabled for Board approval. Indicative budgets are shown for 2025/26 (£0.561m deficit) and 2026/27 (£0.471m deficit).
Consultation How has consultation with partners been carried out?	No
Action requested	☐ For information only ☐ For discussion ☐ For recommendation ☒ For approval
Resource implications (If yes, please provide details)	Yes Budgeted income and expenditure is included
Risk implications (If yes, please provide details)	**Yes** Notes the risk to financial sustainability
Link with strategy Please highlight how the paper links to the Strategic Plan, or assist with:	Financial sustainability

• Compliance • National Student Survey • partnership services • risk management • other activity [e.g. new opportunity] – please provide further information	
Equality and diversity **No** If yes, please give details:	Click or tap here to enter text.
Island communities Does this activity/ proposal have an effect on an island community which is significantly different from its effect on other communities (including other island communities)?	**No** If yes, please give details: Click or tap here to enter text.
Data Protection Does this activity/ proposal require a Data Protection Impact Assessment?	**No** Set out any data protection aspects and whether a data protection impact assessment is needed
Status (e.g. confidential/non confidential)	Non-Confidential
Freedom of information Can this paper be included in "open" business?* -**Yes**	Papers should be open unless there is a compelling reason for them to remain closed. If a paper, or parts of a paper, are to remain closed the reason for that exemption must be specified – see reasons below

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Its disclosure would substantially prejudice a programme of research	☐	Its disclosure would substantially prejudice the effective conduct of public affairs	☐
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and
http://www.itspublicknowledge.info/web/FILES/Public_Interest_Test.pdf

UHI Perth

Background

1. The financial sustainability of the whole of the College sector in Scotland has come under significant pressure in recent years, resulting in the majority of colleges requiring to make efficiencies and implement savings proposals. The Auditor General published a report on Scotland's colleges 2024 on 19 September, which is included at Appendix 5. Colleges Scotland submitted the draft Budget 2025/26 to Scottish Government on 17 October 2024, which also reflects the dire financial situation of the College sector, and is included at Appendix 6.

2. UHI Perth is also experiencing financial challenges and in the 2023/24 financial year embarked on a programme of five workstreams to identify potential cost reductions and increased income, as follows:
    - Academic
    - Professional Services
    - Estates
    - Continuous Improvement
    - Income Generation.

3. Originally cost savings of £4m were identified to achieve a balanced budget by 31 July 2025 as reductions in HE and FE income were assumed. However, once confirmation of our funding was received in May 2024 this figure reduced to £2.7m. At the meeting on 6 June 2024 the Board agreed savings of £3.2m based on a three-year high-level budget scenario. This included £2.2m staff savings and £1.0m non-staff cost reductions and additional income.

4. A budget was not in place for 2023/24 as work was superseded by an exercise to ensure our financial sustainability from 2023/24 onwards (Board paper 15 May 2023). Unaudited actual figures for 2023/24 have been provided as a comparator for 2024/25 budget figures in appendix 1.

5. In future years we will aim to present a draft budget in the quarter 4 Board cycle so as the Board can approve the budget before the start of the new financial year. The budget will be used to inform the FFR (Financial Forecast Review) which has a statutory deadline for submission of 30 June. Appendix 2 shows the key differences between the figures presented to the Board on 6 June 2024; the figures in the FFR and the draft 2024/25 budget figures in this paper.

Draft 2024/25 Budget

6. The draft 2024/25 budget includes current known staff costs after applying pay awards, expected figures for non-staff costs and assumed income. The assumptions made in preparing the budget are included at appendix 3.

UHI Perth

7. Since the joint Finance and Resources and Audit Committees on 26 September, the Senior Leadership Team and Director of Finance have met with each Director to review the figures in their budget to achieve a common understanding of what is included and to challenge the level of budget in some cases with a view to reducing budgeted expenditure.

8. In the course of the last month we have gained a better indication of the number of FE and HE students and the income figure has been increased to reflect higher numbers than estimated previously.

9. The draft 2024/25 budget at appendix 1 shows income of £25.313m and expenditure of £26.469m resulting in a deficit of £1.157m. 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	(£18,737)	(£20,103)	£1,367
Non-staff costs	(£7,733)	(£8,545)	£812
Surplus/(Deficit)	**(£1,157)**	**(£953)**	**(£204)**
Depreciation	(£2,026)	(£2,026)	£0
Profit/(Loss)	(£3,183)	(£2,979)	(£204)

10. The key changes to the draft budget since the Committee meeting on 26 September when a £1.211m deficit was reported are:
    - HE student numbers increased by 60 resulting in increased income of £0.241m.
    - Employee costs reviewed and updated to reflect most up to date positions and current vacancies resulting in decreased cost of £0.029m. Pension strain cost previously reflected the cash impact: this now reflects the actual cost for 24/25 of £0.223m, an increase of £0.104m.
    - Non-staff costs reviewed on a line-by-line basis and discussed with budget holders with some costs not accounted for from initial draft partly offset by cost reductions where appropriate resulting in increased cost of £0.112m.

11. The revised deficit of £1.157m includes:

    - A shortfall in income of £0.803m (200 HE full time equivalents) based on the current figure for our best estimate of student numbers for this academic year. It had been assumed in the June figures that we would meet the targets in the funding letter from the UHI Executive Office. An audit of the timetable is in

progress to identify where courses have less numbers than targeted, to review level of staff numbers and to make savings recommendations.

- One-off costs of £0.823m for known voluntary severance costs, including pension strain, this year. Although the collective consultation period ended in June, individual consultations are still ongoing for several 'at risk' individuals identified in the consultation document. Full costs of these roles are included in the draft budget and associated costs of potential voluntary severance have not been included.

12. Microram (UHI Perth delivering learning and teaching to students enrolled with other UHI partners and vice-versa) is allocated retrospectively but we have assumed the same level as last year in the budget. Approximately £4.5m is retained by the Executive Office of UHI as a top slice to contribute towards their operational expenditure. This deduction from our government grant funding is out with our control and there are limited opportunities to significantly increase income this year and further reduce non-staff costs. We will continue to focus on managing staff costs as far as possible.

13. The Perth Leadership Group will continue to work on balancing the 2024/25 budget during the financial year. Indicative budget figures for 2025/26 (£0.561m deficit) and 2026/27 (£0.471m deficit) are included at appendix 1.

Staff costs

14. 465 FTE permanent employees (249 FTE academic and 216 FTE professional services) and 33 FTE employees on fixed term contracts (8 FTE academic and 25 FTE professional services) are included within the staff cost figure of £18.737m (71% of total costs) in appendix 1. Included in the staff cost figure is £1.111m for academic staff which are contracted on a flexible basis to cover teaching hours for absences, increased remission etc.

15. Since June 2023 £3.0m savings have been made from voluntary severances with ~£1.3m being realised to date from the most recent round resulting from the workstreams from a target of £2.2m staff cost reduction.

Non-staff costs

16. Non-staff costs account for 29% of the budget and ~7% relates to costs on maintaining our estate, including energy costs with ~3% relating to digital costs (hardware and software). Both areas have had significant under-investment over the past several years meaning that our estate continues to deteriorate, and we are not providing our students with up-to-date technology in teaching areas that they will have come to expect in other learning establishments. Development of systems will be an important lever to realise savings from efficiencies by continuous improvement and we will be stymied if under-investment continues. This is a significant risk to UHI Perth.

Cashflow

17. When the academic pay award is made at the end of October 2024, UHI Perth will run out of cash. We have been working with the Chief Finance Officer from the Executive Office of UHI who has highlighted to the Scottish Funding Council that we will need a loan of ~£1.5m at particular times of the year to ensure a positive bank balance. We have requested to pay back the loan over five years. The cashflow at appendix 4 shows the position to the end of July 2025 based on the draft 2024/25 budget at appendix 1.

Risks

18. 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.

19. 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

20. It is recommended that the Board of Management approves the deficit budget of £1.157m. The deficit will be funded by a loan from the Scottish Funding Council via the Executive Office of UHI, which will be paid back over a period of five years.

21. During the year, the Perth Leadership Group will continue to work to reduce the budget deficit and regularly update the Board with the position.

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Appendix 1 – Draft Budget 2024/25

	Draft Budget 24/25	Unaudited Actual 23/24	Variance	Forecast 25/26	Forecast 26/27
Income	**£'000**	**£'000**	**£'000**		
Academic					
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
	21,893	**23,571**	**(1,678)**	**21,893**	**21,893**
Commercial					
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
	3,420	**3,674**	**(254)**	**3,420**	**3,420**
Non Govt Grants	0	450	(450)	0	0
Total College Income	**25,313**	**27,695**	**(2,383)**	**25,313**	**25,313**
Staff Costs	16,802	19,336	(2,534)	16,688	16,880
Contracts & Timesheet	1,111	768	344	848	859
VS & Pension Strain	823	0	823	450	0
Total College Staff Costs	**18,737**	**20,104**	**(1,367)**	**17,986**	**17,738**
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
Total College Non-Staff costs	**7,733**	**8,545**	**(812)**	**7,887**	**8,045**
Net Surplus(Deficit)	**(1,157)**	**(954)**	**(203)**	**(561)**	**(471)**

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Appendix 2 – Key differences between FFR, savings agreed by Board and draft budget

	FFR 24/25	Scenario (£3.2m)	Budget 24/25
	£'000	£'000	£'000
Income	£26,202	£25,567	£26,115
Student shortfall			(£803)
Staff costs	(£17,941)	(£18,024)	(£18,737)
Non-staff costs	(£8,197)	(£7,123)	(£7,733)
Surplus/(Deficit)	**£64**	**£420**	**(£1,157)**
Depreciation	(£2,026)	(£2,026)	(£2,026)
Profit/(Loss)	**(£1,962)**	**(£1,606)**	**(£3,183)**

The key differences between the FFR and the scenarios presented to the Board in June are included in the paper accompanying the FFR (See Paper 11 on FFR). Note, FFR is stated here excluding AST to compare to the College only budget and scenarios.

Staff Costs

- FFR assumed one-off severance costs of £0.840m based on known and assumed leavers as at 1 June.
- Scenario model based on staff cost savings of £2.2m and associated severance costs of £1.1m in 24/25.
- Budget based on current staff and known leavers as at 1 October with severance costs of £0.600m and pension strain of £0.223m.
- All staff costs include impact of 3 year pay award in 24/25.

Non-Staff Costs

- FFR based on 23/24 MYR outlook and applied inflation of 2%.
- Scenario model also includes non-staff cost reduction of £0.300m in 24/25.
- Budget non-staff costs based on budget holders' submission which has been reviewed on a line-by-line basis with SLT with all non-essential cost removed.

Appendix 3 – 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 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 is to be paid out in October 2024.
- **The potential HE funding clawback** of £0.803m has been deducted in July 25 which is driving our year end cash deficit of £1.071m.

Forecast 25/26 and 26/27 Assumptions

- Income to be ‘flat cash’ in line with budget 24/25.
- Staff costs assume remaining £0.9m savings are actioned in 26/27, however, impact on full year staff costs assumed at £0.6m. VS costs of £0.450m 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%.

UHI | PERTH

UHI Perth

Appendix 4 – Cashflow

	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25
Income	2,557,843	2,026,756	2,441,782	2,441,782	2,333,510	2,645,080	2,008,694	1,345,135	2,471,402	2,038,314	2,146,586	927,465
Staff costs	(1,870,769)	(1,523,860)	(3,079,860)	(1,523,860)	(1,523,860)	(1,523,860)	(1,523,860)	(1,523,860)	(1,523,860)	(1,523,860)	(1,523,860)	(1,523,860)
Non-staff costs	(753,983)	(763,201)	(641,883)	(643,993)	(585,696)	(905,646)	(514,792)	(525,434)	(664,308)	(578,469)	(645,001)	(582,421)
Total cashflow	**(66,909)**	**(260,306)**	**(1,279,961)**	**273,929**	**223,954**	**215,574**	**(29,958)**	**(704,159)**	**283,234**	**(64,015)**	**(22,275)**	**(1,178,816)**
Op Bal	1,538,504	1,471,595	1,211,289	(68,672)	205,257	429,211	644,785	614,828	(89,331)	193,903	129,888	107,614
Cashflow	(66,909)	(260,306)	(1,279,961)	273,929	223,954	215,574	(29,958)	(704,159)	283,234	(64,015)	(22,275)	(1,178,816)
Closing Bal	**1,471,595**	**1,211,289**	**(68,672)**	**205,257**	**429,211**	**644,785**	**614,828**	**(89,331)**	**193,903**	**129,888**	**107,614**	**(1,071,202)**

Appendix 5

Briefing

Scotland's colleges 2024

AUDITOR GENERAL

Prepared by Audit Scotland
September 2024

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Accessibility

You can find out more and read this report using assistive technology on our website www.audit.scot/accessibility.

Audit team

The core audit team consisted of: Tricia Meldrum, Shelagh Stewart and Katy Wilson, under the direction of Mark MacPherson.

Key messages

1 The financial challenges facing colleges have increased since we reported on Scotland's colleges in 2023. While only 14 of 20 college accounts were available at the time of preparing this report, 11 reported deficits in 2022/23, which is already more than the eight in 2021/22. Scottish Government funding for colleges reduced by £32.7 million in cash terms in 2024/25, and has reduced by 17 per cent in real terms since 2021/22. Colleges are also forecasting reducing cash balances, which may present a risk to their ability to continue in their current form.

2 Across Scotland, colleges employ 10,957 whole-time equivalent staff. Staffing costs make up around 70 per cent of colleges' expenditure and are a key focus for them as an area for cost reduction. Across the 14 colleges, this resulted in 496 staff leaving colleges through voluntary severance in 2022/23. Colleges are predicting further reductions in staff numbers in the coming years.

3 The financial pressures and reductions in staff mean that colleges may not be able to do everything that they have done in the past, which will impact on the learning they provide. Colleges are taking steps to identify efficiencies and they are working with the Scottish Funding Council on actions to help them remain sustainable. But they also need more clarity from the Scottish Government on the aspects of their role to prioritise, given the scale of the challenges, to help them manage their funding.

4 Last year we said that addressing the challenges facing the college sector cannot be avoided or postponed. But reform of the post-school landscape has not yet been implemented, causing continuing uncertainty and making it more difficult for colleges to plan effectively.

Recommendations

- By the time it issues the 2025/26 Letter of Guidance to the Scottish Funding Council (SFC), the Scottish Government should set out the priorities that colleges are expected to deliver, so that the SFC and colleges can manage their funding to meet those priorities.
- The Scottish Government should have early engagement with colleges and the SFC about these priorities so that they have as much time as possible to plan.
- The Scottish Government should increase the pace of reform that impacts on the college sector, by ensuring all groups involved are clear on what is expected of them and by when. By the end of 2024, the Scottish Government should set out detailed and timely milestones to deliver the programmes of work to reform the post-school skills sector.
- The SFC, working with Colleges Scotland and colleges, should highlight good practice and share learning on how colleges are innovating and finding opportunities to do things differently to address the financial challenges. This should happen on an ongoing basis.

1. Scotland's colleges deliver vital services

Colleges are vital to learners, communities and the economy

1. Our previous reports on the college sector have highlighted the vital role that colleges play.

Scotland's colleges offer academic and vocational courses to develop people's skills and knowledge for work, continued study or general interest. Students can choose to study full time, day release, evenings, block release or on an open learning basis. The courses that college students undertake contribute not only to their own development but also to Scotland's sustainable economic growth. Colleges are valuable hubs whose facilities may also be used for local community purposes, including as meeting spaces and sports venues.[1]

2. Scotland's colleges are situated in 13 regional areas (Exhibit 1, page 6), serving diverse communities. In 2022/23, Scotland's colleges delivered education to 248,907 students who enrolled in 329,920 courses. The sector employed 10,957 whole-time equivalent (WTE) members of staff. Courses are available at a range of levels and include further education qualifications, higher education qualifications and apprenticeships.

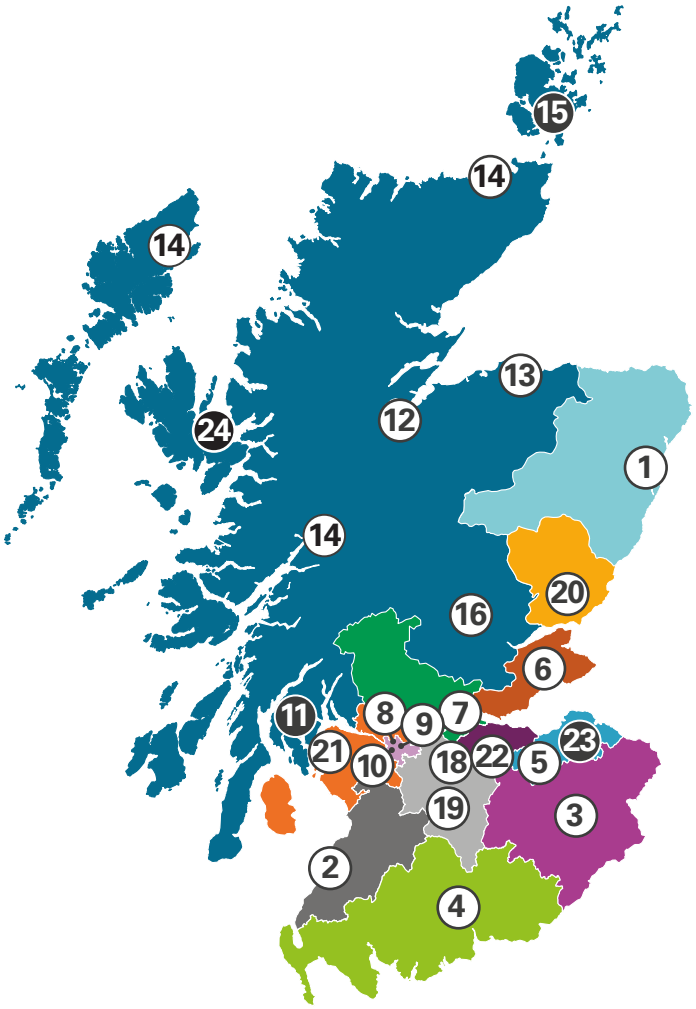
3. Scotland's colleges play a particularly important role in supporting learners from more deprived communities to access learning. In 2022/23, 26.6 per cent of all school leavers went into further education at college, rising to 36.8 per cent of school leavers from the most deprived areas.[2] Scotland's colleges are similarly a valuable route to university. In 2021/22, 46 per cent of learners from the lowest socio-economic backgrounds who went to university progressed there from college.[3]

4. The Scottish Government sets national policies for learning and provides over three-quarters of the college sector's funding, which is allocated by the Scottish Funding Council (SFC) to colleges or Regional Strategic Bodies (RSB). SFC funding to colleges is based on outcome agreements. These set out the courses the college will deliver and how many students they can teach. The new outcomes framework and assurance model has replaced outcome agreements from academic year 2024/25.

Exhibit 1.

Scotland's colleges as at 1 August 2024

The colleges not listed in bold are subject to audit by the Auditor General for Scotland (AGS).



- College – incorporated, audited by AGS
- **College – unincorporated, not audited by AGS**

Region		College
Aberdeen and Aberdeenshire	1	North East Scotland College
Ayrshire	2	Ayrshire College
Borders	3	Borders College
Dumfries and Galloway	4	Dumfries and Galloway College
Edinburgh and Lothians	5	Edinburgh College
Fife	6	Fife College
Central	7	Forth Valley College
Glasgow	8	City of Glasgow College
	9	Glasgow Clyde College
	10	Glasgow Kelvin College
Highlands and Islands	**11**	**UHI Argyll**
	12	UHI Inverness
	13	UHI Moray
	14	UHI North, West and Hebrides
	15	**UHI Orkney**
	16	UHI Perth
	17	**UHI Shetland**
Lanarkshire	18	New College Lanarkshire
	19	South Lanarkshire College
Tayside	20	Dundee and Angus College
West	21	West College Scotland
West Lothian	22	West Lothian College
n/a	**23**	**Newbattle Abbey College**
n/a	**24**	**Sabhal Mòr Ostaig**

Note: On 1 August 2023, UHI North Highland and UHI Lews Castle became part of a new college called UHI North, West and Hebrides.

Source: Audit Scotland

5. The Fraser of Allander Institute has quantified the contribution Scotland's colleges make to sustainable economic growth.[4] It estimated the 2016/17 to 2021/22 college graduate cohort would make the Scottish economy better off by around £52 billion over their 40-year working life, when compared to a scenario without these skilled graduates. They would help to boost labour productivity by two per cent across the Scottish economy in the long run.

6. This briefing is based on analysis of the 14 college Annual Audit Reports (AARs) and accounts for 2022/23 that were submitted by the end of June 2024. Six AARs and accounts were delayed for a variety of reasons including capacity pressures and further work to investigate specific issues. These delays meant that some audits were then impacted by the outcome of the triennial valuation of the local government pension scheme, which includes colleges as members. The triennial valuation at some of these colleges resulted in material change to the pension information disclosed in the accounts. This meant that further audit work needed to be completed before the auditors could conclude the audit.

7. The briefing also draws on other sources including:

- reports produced by the SFC, Scottish Government and Colleges Scotland
- evidence to Scottish parliamentary committees
- reports by other academic institutions.

2. The financial challenges facing colleges have increased

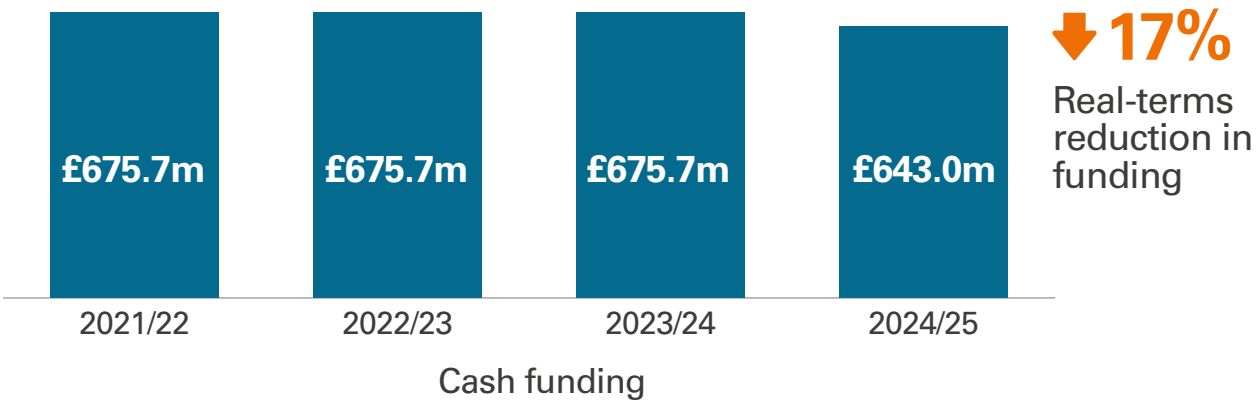
Real-terms resource funding for the sector has reduced by 17 per cent since 2021/22

8. Colleges rely heavily on Scottish Government funding. The Scottish Government's resource funding for the sector was static for three years from 2021/22, followed by a cash-terms reduction of £32.7 million in 2024/25 (Exhibit 2).

Exhibit 2.

Cash and real-terms resource funding for the college sector 2021/22 to 2024/25

Cash and real-terms funding have reduced since 2021/22.



Source: Audit Scotland analysis of Scottish Government budgets

9. The Scottish Government has also removed specific resource funds from its budget:

- An uplift of £26 million to support strategic change, additional to core college sector funding, was announced in the 2023/24 budget but later withdrawn to support pressures elsewhere.
- The £10 million flexible workforce development fund was removed in December 2023, impacting on the 2023/24 and 2024/25 budgets. This was used by eligible employers and small and

medium enterprises (SMEs) to fund retraining or upskilling of their employees. Training could be delivered in partnership with local colleges, providing them with additional income.

The financial health of the sector has deteriorated since 2021/22

10. The adjusted operating position, reported in college accounts, provides a measure of the underlying financial health of the college. An adjusted operating surplus is generally positive, while an adjusted operating deficit may be indicative of financial challenges. More colleges reported a deficit in 2022/23 than in the previous year (Appendix 1). Across all 20 colleges, eight reported a deficit in 2021/22. Across the 14 colleges where we have figures for 2022/23, 11 reported a deficit.

Colleges and the SFC are becoming increasingly concerned about cash balances and the liquidity of the college sector

11. Colleges report their end-of-year cash balance within their annual accounts and in financial returns to the SFC. This measure is only a snapshot in time and can fluctuate depending on when payments are due. A large payment could quickly reduce an end-of-year cash balance. It can also include cash that is not available to a college. For example, Edinburgh College had a cash balance of £5.7 million at 31 July 2023, but only £0.7 million was available for operational purposes. Five million pounds was reserved for reasons including pay award arrears (paragraph 19) and student support.

12. That said, the cash balance is a useful indicator of financial flexibility, which can demonstrate whether there is enough money available in the sector to deal with unpredictable challenges. Appendix 1 shows cash balances across colleges. Some college auditors highlighted concerns about cash balances (paragraph 25).

13. The SFC's report, Financial Sustainability of Colleges in Scotland 2021/22 to 2025/26, also expressed concerns about cash balances. It stated the sector had an aggregate cash balance of £141.4 million at the end of July 2022 but that was forecast to deteriorate to a cash deficit of £4.2 million by the end of July 2026.[5] The SFC will report the cash balance at end of July 2023 in its next annual report on the financial sustainability of the sector.

Colleges are facing other significant challenges

14. In the context of real-terms reductions in funding, Scotland's colleges continue to experience challenges containing costs (Exhibit 3, page 10). Many of these challenges are not new but are becoming increasingly difficult to manage.

Exhibit 3.

Significant areas of risk for colleges

This is a cross-section of the numerous risks affecting colleges.

- Inflation, interest rates and energy costs.
- The investment required to achieve public sector net zero targets, especially in relation to the college estate.
- Infrastructure costs and maintaining the estate in good order.
- Investment required to invest in digital.
- Difficulties in attracting and retaining students and staff.
- The requirement for colleges to self-fund staff restructuring and voluntary severance package costs.
- Competition from private sector training providers.
- Competition from some universities.
- The challenges of raising income from non-teaching activities.
- The impact of cost efficiencies on staff wellbeing and the student experience.

Source: Scottish Funding Council, Audit Scotland

Colleges are making redundancies to reduce their costs but funding them is a further short-term financial pressure

15. Staff costs account for around 70 per cent of colleges' expenditure and we have reported in previous years that managing staff numbers is an approach to reducing costs. Colleges are seeking to reduce costs by offering voluntary severance schemes to staff.

16. In 2022/23, across the 14 colleges we have data for, 496 staff left through voluntary severance schemes. This is in addition to the 231 members of staff who left these colleges through voluntary severance in 2021/22. The Scottish Government and SFC do not provide specific funds for staff severance costs through the funding model. Meeting the costs of staff restructuring and voluntary severance packages is a significant cost pressure for colleges. Across the 14 colleges, the cost of voluntary severance packages in 2022/23 was £12.2 million. Appendix 2 shows the number of staff that have accepted voluntary severance and the cost at each college where we have data.

17. Colleges plan to continue running voluntary severance schemes to help deliver savings. Some colleges report that voluntary severance is part of a transformation plan (paragraph 25). As a sector, colleges have not ruled out the need to turn to compulsory redundancy schemes to deliver the savings required. The Scottish Government's policy of no compulsory redundancies does not formally cover colleges; however colleges need to have regard to the policy. Colleges need approval from the SFC before they can launch a voluntary severance scheme. The colleges in a regional strategic body (RSB) (paragraph 44) also need approval from the RSB. SFC approval is based on assessing the college's business case that sets out the rationale for the scheme and includes the terms available, estimated cost and savings. Colleges need to consult the SFC in all cases where compulsory redundancies are being considered.

18. The SFC's financial sustainability report sets out colleges' forecasts for the reduction in staff required to balance their budgets. These estimated a required reduction of 2,387 WTE staff across the sector between 2022/23 and 2025/26.[6] This equates to the potential removal of 21 per cent of WTE staff. Colleges highlighted the impact this would have on the student experience and the risks to them being able to provide the same breadth and quality of courses.

Failure to agree pay deals has impacted on learners but agreement has been reached recently

19. Pay deals are negotiated through the National Joint Negotiating Committee. This brings together College Employers Scotland, the representative body of colleges as employers, and the college sector unions. Uncertainties around staff pay are a pressure on planning college finances. From September 2022 there was no agreed pay deal for college support staff or lecturing staff. The sector has seen industrial action, such as strike action, for several years, and action short of strike (including a resulting boycott since 2022, where the results of assessments were not entered into a college results system). These have impacted on learners.

20. In June 2024, support staff agreed a three-year pay offer covering 2022/23 to 2024/25. Lecturing staff agreed a four-year pay offer in September 2024, covering 2022/23 to 2025/26, after the Scottish Government made an additional £4.5 million available to the sector for this purpose. These agreements provide colleges with certainty about pay costs over these time periods.

21. The need for a job evaluation process for support staff roles was first identified in 2015/16 and progress has been very slow. College Employers Scotland is now developing a critical path and milestones for this work, and agreeing with the unions how they will work together to meet the milestones. Resolving this issue will allow support staff to have certainty over the grading of their role and provide colleges with more certainty on pay costs.

There has been a steady decrease in the funds held in ALFs

22. Colleges can apply for funds from arm's-length foundations (ALFs). These are independent, charitable bodies that were set up when incorporated colleges were reclassified as public bodies and could no longer retain significant cash reserves. Colleges can donate funds into ALFs and can also apply to ALFs for funding for specific purposes. Other organisations can also donate to, and apply for funding from, ALFs.

23. The SFC has reported that there has been a steady decrease in the funds held in ALFs over the last decade, from £99 million in 2014 when they were first established to £12 million in 2023.[7] Forecasts show £9 million is expected to remain in ALFs in 2024, nine per cent of the original balance after ten years. This means that colleges are less able to consider ALF funding as part of their planning.

Colleges and the SFC are taking action to help alleviate the financial challenges but need more clarity from the Scottish Government on priorities

24. As the scale of the challenge to their financial sustainability continues to increase, colleges need to make difficult savings decisions to manage their financial positions. These will impact on students, staff and local communities. There are examples of colleges making changes to what they deliver, such as consolidating campuses or stopping nursery care for student parents. Colleges state they are trying hard to minimise the impact on learners and deliver the same levels of service. However, concerns are growing within the sector about their ability to deliver high-quality learning experiences in the coming years. The National Union of Students has also raised concerns about colleges' ongoing ability to provide students with the additional support they need to learn.[8]

25. Colleges are responding to the financial challenges in different ways. This includes implementing financial recovery plans to reduce their cost base. Below we list some examples of the financial challenges colleges are experiencing and how they are responding:

- **Dumfries and Galloway College** had a small surplus AOP of £7,000 for 2022/23. The college planned to save £0.511 million in 2022/23 and this was delivered in full through closely monitoring costs and by reducing additional staff hours. Nine members of staff (four per cent) took voluntary severance in 2022/23 costing £0.186 million. The college forecasts it will make a surplus of £34,000 in 2023/24 and a higher surplus for the following two years.

  The college is currently implementing a transformation plan to help safeguard financial sustainability. It has reported that current staffing levels are not sustainable, and voluntary severance is part of the

transformation plan. The college aims to make savings by reducing manual processing, investing in digital learning, service redesign and increasing commercial income developments. The college reports it regularly evaluates its curriculum to identify the scope for any efficiencies in what it delivers.

- **Dundee and Angus College** had a deficit AOP of -£0.086 million for 2022/23, an improvement on the previous year's deficit of -£1.450 million. It is forecasting a deficit in 2023/24, moving to a surplus from 2024/25. Cash balances were £5.533 million in 2022/23, a decrease from £6.248 million the previous year.

  The college reported it achieved £1.8 million in cuts through a major savings plan implemented in April 2022 for 2022/23. Fifty-seven staff took voluntary severance in 2022/23 costing £1.501 million. The college launched a further major savings plan in April 2023 to reduce expenditure by a minimum of £2.5 million for 2023/24. This includes looking at areas of the curriculum where student credits (the volume of activity) have reduced by 10 per cent, changes to support services and a restructure of senior promoted posts.

- **Glasgow Kelvin College** had a deficit AOP of -£1.266 million for 2022/23. This was partly due to costs associated with voluntary severance and the relocation of courses from its west campus. This campus will close, to be sold or leased, to help support financial sustainability. Twenty-seven staff took voluntary severance in 2022/23 costing £0.792 million, with further schemes planned for 2023/24 and 2024/25. Cash balances were £4.154 million at end of year, a very small decrease from £4.157 million the previous year.

  The college forecasts a further deficit for 2023/24 of -£0.5 million, returning to a surplus in the following two years. The forecast for a surplus assumes the college will achieve its planned voluntary severance schemes from 2023/24 to 2024/25. Savings are also required through the college estate and other costs, with a drive to increase income.

- **New College Lanarkshire** had a deficit AOP of -£3.6 million for 2022/23, an increase from -£1.8 million the previous year. Sixty staff left the college under voluntary severance in 2022/23 at a cost of £1.286 million but the college reported that this did not deliver the recurring savings budgeted.[9] Voluntary severance schemes have taken place in the last three financial years resulting in 118 staff leaving. The college forecasts it will break even in 2023/24 but be in a deficit position up to 2025/26.

  The 2023/24 budget paper contained cashflow projections and emphasised the college's precarious liquidity position. Cash balances were £1.985 million at year end, a decrease from the previous year's £5.561 million. At the time of completing the 2022/23 audit, New College Lanarkshire was in early discussions

with the SFC around a financial recovery plan. The college reports it plans to arrive at medium-term financial sustainability through focusing on improvements in resource and curriculum planning, further cost control measures in non-staff expenditure and increasing other income streams.

26. The SFC offers additional help and advice to colleges when required. It is currently working at a higher level of engagement with a small number of colleges to help them understand and assess their problem areas. The SFC has a range of options available when a college is experiencing financial difficulty, including helping to develop a recovery plan or providing loans or temporary cash funding when cash levels are of concern. The SFC requires colleges to develop plans to bring them back to a sustainable financial position.

27. The Scottish Government published its Purpose and Principles document and an initial priorities statement, in June 2023. At paragraphs 38–42 we discuss the ongoing reform of the sector. More immediately, colleges need more clarity from the Scottish Government on the aspects of their role to prioritise, in light of the increasing financial challenges and the breadth and diversity of their role. Colleges are currently making fundamental decisions about their future services without this clarity.

28. The SFC is introducing a new Outcomes Framework and Assurance Model from academic year 2024/25. This is intended to give colleges more freedom to develop their own strategic plans and more flexibility around their own priorities. The SFC will set out its expectations of colleges, but these are intended to be less prescribed in advance with a greater focus on outcomes.

The SFC introduced changes to the funding model to ease financial pressures

29. The SFC has taken some action to alleviate colleges' financial challenges through changes to the funding model, introduced in 2023/24, with some applied retrospectively to 2022/23. These include:

- Lowered thresholds (the minimum required level below the target) for the number of credits (the volume of activity) that colleges are required to deliver. This is intended to reduce the risk of colleges being required to pay back money to the SFC for under-delivery against the target and to give colleges more certainty for planning.
- Teaching funds were protected in college allocations alongside these lowered credit thresholds. This means that while teaching funds remain the same, colleges have lower targets for the learning activity they need to deliver. This effectively results in a consequent increase in the price that the SFC pays per credit.

- 20 per cent of colleges' teaching funding will not be associated with the delivery of credit thresholds and so protected from any under delivery of credits (also applied retrospectively).
- A change to the 'required date' when a full-time student can be counted, in line with the university sector (also applied retrospectively).

30. It is too early to say whether these changes will help colleges to reach a more sustainable financial position. The SFC has confirmed that funds for teaching have been protected in college allocations for 2024/25, alongside maintaining the lowered credit thresholds.

It is a taking a long time for the SFC's strategic approach to infrastructure to result in priorities for investment decisions

31. The SFC published a College Infrastructure Strategy (CIS) in November 2022, setting out the SFC's approach to determining future investment in Scotland's college estate and other college infrastructure. This was followed in December 2023 with the CIS Delivery Plan, which supports the development of an Infrastructure Investment Plan (IIP) for the sector. The aim of the IIP is to help prioritise infrastructure investment decisions through considering all college requirements against the funding available.

32. The IIP was originally due in November 2024 but will now be later. The SFC has stated it will publish revised timescales for the IIP in an updated delivery plan in October 2024. When complete, the IIP will set out infrastructure investment need and include the options for alternative funding models. It is taking a long time for this strategic approach to help prioritise investment decisions within available funding.

33. The SFC has still to publish a plan for monitoring this work, but the commitment within the initial CIS is to report within three years. It has stated that an evaluation report against the delivery plan will be available in December 2026, with the intention to update on progress every three years.

The college sector has been affected by issues with Reinforced Autoclaved Aerated Concrete (RAAC)

34. Colleges continue to report on the challenge they face in maintaining their estate in good order. The SFC has identified that seven colleges have RAAC.[10] Three college auditors reported on the implications of RAAC within their buildings. Dundee and Angus College has not needed to implement any restrictions on use; however, the remaining economic life of the affected buildings has been reduced and their value has decreased. West College Scotland has not needed to implement restrictions but the whole building has been impaired to nil from its net

book value of £1.8 million. Glasgow Clyde College has implemented restrictions at its Cardonald Campus and it has seen a reduction in value. There is a risk that RAAC will impact on the value of the college estate and on a college's financial position. The financial impact of RAAC may not be fully felt until a college needs to undertake restorative works or try to sell affected buildings. The impact of RAAC on college estates will be covered within the ongoing CIS work and considered as part of the strategic approach to prioritising investment decisions.

Colleges are working with other organisations in their region

35. Colleges are working with other organisations in their regional economic partnerships. Examples of collaborations include:

- **Ayrshire College** is involved in partnership working through various initiatives, including chairing the Regional Economic Strategy Skills Delivery Group. It has developed bespoke training opportunities through the Ayrshire Growth Deal and Regional Economic Strategy, including fast-track programmes for aerospace and high-speed cable manufacturing. The college is also a key provider for the Ayrshire Skills Investment Fund, a £3.5 million Ayrshire Growth Deal funded project to develop skills in growth sectors.
- **Dumfries and Galloway College** works in partnership with University of West of Scotland (UWS). This includes UWS using a college building, so estates costs are shared, and the college receives income for the use of the building. The college is also active with other partners within the South of Scotland Regional Economic Partnership.
- **Dundee and Angus College** works with partners across the Tay Cities region. This includes the Michelin Scotland Innovation Parc Skills Academy, which opened in October 2023, and the college reports it is the lead skills partner, delivering skills including low carbon, green energy, hydrogen and offshore wind.
- **North East Scotland College (NESCol)** works with groups focused on stimulating regional economic transformation in the North East, including on the Regional Economic Strategy, Regional Learning and Skills Partnership, Aberdeen City Council's Multi-Agency Transformation Management Group and the National Energy Skills Accelerator (NESA).

36. The SFC initiated a programme in September 2022 to explore improved joint working through regional tertiary pathfinder projects. The aim of this pathfinder work is to secure simpler pathways and improved outcomes for learners and to align provision with the needs of the region, including employer needs. Seven pilot projects are taking place in North East Scotland and South of Scotland and evaluation reports are due in

autumn 2024. The pilots are not yet fully complete but have produced some outputs already, including:

- Scotland's Rural College (SRUC) and Borders College launched a joint prospectus for 2023/24 on rural skills, with learning opportunities available from SCQF Level 4 (National 4) to Level 12 (Doctoral Degree) and an enhanced curriculum across various areas.
- An Energy Career Pathways Tool and Website were launched in March 2024 by Robert Gordon University, University of Aberdeen and NESCol on behalf of NESA. NESA helps the energy industry access training and skills development programmes in its partner institutions. The tool identifies the qualifications required for specific jobs in the renewable energy sector and sets those within a learning pathway.

The Tripartite Alignment Group has helped collaborative working

37. A Colleges: Tripartite Alignment Group was initially established as a three-month initiative in summer 2023, but has been extended. Members are the Scottish Government, SFC and the college sector, through Colleges Scotland. It was established to bring together senior leaders with the right experience and knowledge to work through the urgent pressures and opportunities facing colleges.[11] It has worked on the following areas:

- **Credit flexibilities.** Developments in 2022/23 are mentioned at paragraph 29. Further work by SFC is planned in 2024 on the model used to allocate funds to colleges, including liaison with the Tripartite Group on proposed changes. This will feed into the Scottish Government budget-setting process and college budget allocations for 2025/26.
- **Asset disposal.** This work is developing an agreement and guidance on what happens to the funding when a college sells an asset, such as a building. It is considering the circumstances where a college might retain a proportion of the sale proceeds, while the remaining money goes into a shared pot. The group hopes to trial new arrangements on asset disposal to encourage colleges to make more flexible use of their assets and it will issue refreshed guidance after that.
- **Cost methodology.** A benchmarking programme to better understand costs and develop a consistent method for calculating the full cost of delivering the range of college services to learners is at an early stage.

3. There is continuing uncertainty about reform of the college sector

The Scottish Government needs to respond to the independent reviews affecting the post-school landscape more quickly

38. Two major independent reviews were published in June 2023 making recommendations for the post-school skills delivery system: the Withers review of the post-school learning system and the Hayward review of qualifications and assessment. The Withers review recommended that the Scottish Government should redesign the process for how funding of all learning and training provision, including apprenticeships, is allocated to ensure it is prioritised to deliver strategic outcomes and best value for public investment. It also recommended establishing a single funding body and ensuring that colleges and universities are equally valued and afforded equal esteem within the system.

39. There has been limited progress in implementing these recommendations, causing continuing uncertainty for colleges. In June 2024, the Scottish Government launched a consultation that will impact on reform of the sector. The Post-school education and skills reform legislation: consultation asks for views on changing what public bodies do in the post-school system in order to simplify responsibilities for apprenticeships and student support. The consultation ends in September 2024.

40. The Scottish Government announced the groups it has put in place to take forward reform across the education system in November 2023, sitting under an Education and Skills Reform Ministerial Group. The governance structure includes a Post-school Education and Skills Reform Programme Board (the Programme Board). These arrangements are fairly new, with the Programme Board meeting since autumn 2023, the Education and Skills Reform Chief Executive Forum meeting since January 2024 and the Ministerial Group only meeting since May 2024. These arrangements are running in parallel with the Tripartite Alignment Group (paragraph 37).

41. The Programme Board currently has five areas of work: simplification of the funding body landscape; national and regional skills planning; apprenticeship reform; careers; and post-school qualifications. The Scottish Government is developing an overall plan setting out the

workstreams, responsibilities, interdependencies, phasing and timeline for a programme of post-school skills reform over a ten-year period. At this stage, it has not yet confirmed what is expected to be achieved in the short term and longer term.

42. The groups tasked with taking forward reform are expected to monitor progress, but the Scottish Government has not yet set out how it will report on this publicly. It has provided recent updates to the Scottish Parliament Education, Children and Young People Committee, in March and June 2024.

43. Updates on areas of reform include:

- **Simplification of the funding body landscape.** This work takes forward the ministerial commitment to bring learner support funding and apprenticeship provision together in the one place. The Scottish Government's consultation (paragraph 39) seeks views on two options which will impact on the role of the SFC, Skills Development Scotland (SDS) and the Student Awards Agency Scotland.
- **A new national skills planning approach** is to be designed by March 2025. This will be a Scottish Government-led skills planning function.
- **An approach for strengthening regional skills planning**. The Scottish Government has been engaging with the college sector and Regional Economic Partnerships to understand different models of setting skills priorities according to local strategies. It intends to share guidelines for developing a regional skills planning approach in September 2024.
- **Apprenticeships.** The Scottish Government has taken a staged approach to identifying improvements in the approach to funding apprenticeships. The current consultation is seeking views on this.

The Scottish Government has made slow progress in taking forward recommendations on regional arrangements

44. There are three regional arrangements, known as Regional Strategic Bodies (RSBs), in place in Lanarkshire, Glasgow and the Highlands and Islands. In 2020, the SFC published reviews on each of the regional arrangements. It recommended that the Lanarkshire RSB should be dissolved and that the three Glasgow colleges and the Glasgow RSB should explore other organisational options. In June 2024, the Scottish Government launched a consultation on changes to regional arrangements in Glasgow and Lanarkshire which closes in September 2024.

45. The regional arrangements for the Highlands and Islands colleges are very different from Lanarkshire and Glasgow because they involve a model where the University of Highlands and Islands (UHI) is the RSB. In March 2024, the Minister for Higher and Further Education; and Minister for Veterans stated that the colleges were to work constructively together, with the support of SFC and the UHI, to bring forward a recommended option for reform that will put them on a more sustainable footing for the long term. UHI and the colleges are working to develop a target operating model which they plan to discuss with the SFC towards the end of 2024. UHI will then consult on proposals before a new operating model is agreed.

Endnotes

1 Scotland's colleges 2023, Audit Scotland, September 2023.

2 Summary Statistics for Attainment and Initial Leaver Destinations, Scottish Government, February 2024.

3 Report on Widening Access 2021–22, Scottish Funding Council, July 2023.

4 The economic contribution of colleges in Scotland, Fraser of Allander Institute, October 2023.

5 The SFC asks colleges to submit financial forecasts. These figures include unincorporated colleges (Exhibit 1, page 6), not audited by the AGS. As with any forecast, what happens can be different to what was forecast.

6 This figure is from the forecasts for all 26 colleges included in the SFC report. It includes the six unincorporated colleges that are not audited by the AGS.

7 Data provided by the SFC, June 2024.

8 Broke Students, Broken System – NUS Scotland, February 2024.

9 Figures included in the text relate to the college only and might not match internal reporting or reporting to the SFC as this includes the group subsidiary.

10 Reinforced Autoclaved Aerated Concrete (RAAC), SFC, February 2024.

11 Colleges – Tripartite Alignment Group: terms of reference, January 2024.

Appendix 1

Adjusted Operating Position and cash balances across colleges, 2022/23

College	2022/23 Adjusted operating position		Compared to 2021/22	Cash Balance at 31 July 2023 £m
	Total surplus or (deficit) £m	Surplus or deficit as % of income		
Ayrshire College	(1.153)	-2.2%	Worse	11.685
Borders College	(0.050)	-0.3%	Worse	3.881
City of Glasgow College	(2.836)	-2.9%	Worse	10.559
Dumfries and Galloway College	0.007	0.0%	Better	2.053
Dundee and Angus College	(0.086)	-0.2%	Better	5.533
Edinburgh College	(0.063)	-0.1%	Better	5.706
Fife College	0.284	0.5%	Worse	23.409
Glasgow Clyde College	(0.496)	-0.9%	Worse	10.143
Glasgow Kelvin College	(1.266)	-3.9%	Worse	4.154
New College Lanarkshire	(3.573)	-6.3%	Worse	1.985
North East Scotland College	(0.180)	-0.3%	Worse	7.887
South Lanarkshire College	(0.253)	-1.3%	Worse	3.263
West College Scotland	0.400	0.6%	Worse	11.080
West Lothian College	(1.717)	-8.6%	Worse	1.575

Notes:
1. To allow consistency, the figures used are for the college only and do not include balances related to group entities. This means figures may differ from SFC data or colleges' internal reporting.
2. This does not include the six colleges for which we did not have completed accounts and AARs at the time of reporting: Forth Valley, Inverness, Lews Castle, Moray, North Highland, Perth.

Source: Accounts and AARs 2022/23

Appendix 2

Voluntary severance numbers and cost

College	WTE staff at July 2023	VS take-up (staff) 2022/23	VS cost 2022/23 £m
Ayrshire College	667	53	1.385
Borders College	214	12	0.176
City of Glasgow College	1127	88	2.155
Dumfries and Galloway College	202	9	0.186
Dundee and Angus College	633	57	1.501
Edinburgh College	957	47	1.278
Fife College	843	26	0.753
Glasgow Clyde College	709	45	1.092
Glasgow Kelvin College	424	27	0.792
New College Lanarkshire	912	60	1.286
North East Scotland College	491	20	0.636
South Lanarkshire College	285	Not applicable at this time	0
West College Scotland	824	50	0.861
West Lothian College	293	2	0.111
Total	8,581	496	**12.212**

Notes:
1. To allow consistency, the figures used are for the college only and do not include balances related to group entities. This means figures may differ from SFC data or colleges' internal reporting.
2. This does not include the six colleges for which we did not have completed accounts and AARs at the time of reporting: Forth Valley, Inverness, Lews Castle, Moray, North Highland, Perth.

Source: Accounts and AARs 2022/23

Briefing

Scotland's colleges 2024

AUDIT SCOTLAND

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Phone: 0131 625 1500 Email: **info@audit.scot**
www.audit.scot

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Appendix 6

Draft Budget 2025/26: Key Messages – 17 October 2024

The Scottish Government will present a Draft Budget to the Scottish Parliament on Wednesday, 4 December 2024. For the first time in many years, the SNP administration will have to negotiate with other political parties for the Draft Budget to pass a parliamentary vote in the new year, as they no longer have a majority.

Colleges require:

- £853.3million in Revenue investment. This includes £4.5m as committed by Ministers for lecturer pay, an increase to college funding to cover inflationary costs, and the restoration of the £26million Transformation Fund.
- £775million in Capital investment. This would resolve the long-standing maintenance backlog across colleges. In addition, colleges require £25million per annum in capital in lifecycle maintenance.

Top four points to use with local stakeholders, including MSPs – What will this investment deliver?

- Colleges are playing a critical role in eradicating child poverty, this Government's top priority. Colleges provide accessible education and skills development, creating pathways to employment and boosting incomes in Scotland's most disadvantaged communities. College is the most popular destination for people from the lowest socio-economic backgrounds - 37% of school leavers in SMID20 move into further education. Investment is needed to maintain and improve student services, which will in turn improve outcomes for children and young adults. More investment would also mean more opportunities for parents and carers to upskill and enter new careers, increasing household income and benefiting the children in those households.
- Grow Scotland's economy: By equipping students with the skills needed in high-demand industries, colleges fuel Scotland's economic growth and productivity, creating a workforce that meets current and future business needs.
- Tackle the climate emergency: Colleges are central to delivering the green skills and training required to meet Scotland's Net-Zero targets, while also leading efforts to make campuses more sustainable.
- Support the recovery of the NHS: Colleges train vital NHS staff, including nurses and healthcare professionals, providing the skills pipeline that underpins Scotland's healthcare system.

What are the risks of not investing in colleges?

Audit Scotland have demonstrated that colleges have experience a 17% real terms cut in funding since 2021/22. This level of cut should be reversed to provide more opportunities for people, communities and employers, and would provide a sustainable future for colleges.

The Scottish Government is prioritising the eradication of child poverty, growing Scotland's economy, tackling the climate emergency by investing in green energy and infrastructure, and in supporting the National Health Service. These ambitions can be delivered faster and more securely with significant and sustained investment into Scotland's colleges.

Colleges Scotland
October 2024

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Committee Cover Sheet

Paper No. 8

Name of Committee	Board of Management
Subject	Pension Strain Agreement
Date of Committee meeting	23/10/2024
Author	Katy Lees, Director of HR and Organisational Development
Date paper prepared	14/10/2024
Executive Summary Please provide a concise summary of the Paper outlining the purpose, impact and recommended future actions if approved	To agree the signing of an agreement with the Tayside Pension Fund to pay pension strain costs over a number of years. Board approval required due to the level of spend.
Committee Consultation Please note which Committees this paper has previously been tabled at, and a brief summary of the outcomes/actions arising from this.	None, however an element of the paper went to remuneration committee due to involving a member of the Senior Leadership Team
Action requested	☐ For information ☒ For discussion ☐ For endorsement ☒ For approval ☐ Recommended with guidance (please provide further information, below)
Strategic Impact Please highlight how the paper links to the Strategic Objectives of UHI Perth or the UHI Partnership: Strategic-Plan-2022-27.pdf If there is no direct link to Strategic Objectives, please provide a justification for inclusion of this paper to the nominated Committee.	This will allow the repayment of the pension strain costs over a number of year, thereby reducing the deficit this financial year.

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Committee Cover Sheet

Resource implications Does this activity/proposal require the use of College resources to implement? If yes, please provide details.	Work has been undertaken by the Director of HR and Organisational Development over the last year to put this in place. The Director of Finance has been involved recently. SLT approved this proposal and have been kept up to date.
Risk implications Does this activity/proposal come with any associated risk to UHI Perth, or mitigate against existing risk? If yes, please provide details.	No Click or tap here to enter text.
Equality & Diversity Does this activity/proposal require an Equality Impact Assessment? If yes, please provide details.	No
Data Protection Does this activity/proposal require a Data Protection Impact Assessment? If yes, please provide details.	No Click or tap here to enter text.
Island communities Does this activity/proposal have an effect on an island community which is significantly different from its effect on other communities (including other island communities)?	No If yes, please give details: Click or tap here to enter text.
Status (ie confidential or non-confidential)	Non-Confidential If a paper needs to remain confidential for a prescribed period of time before being made 'open', please advise how long must the paper be withheld: Click or tap here to enter text.

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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	☐	Its disclosure would substantially prejudice the effective conduct of public affairs	☐
Its disclosure would substantially prejudice the commercial interests of any person or organisation	☐	Its disclosure would constitute a breach of confidence actionable in court	☐
Its disclosure would constitute a breach of the Data Protection Act	☐	Other [please give further details] Click or tap here to enter text.	☐

Further guidance on application of the exclusions from Freedom of Information legislation is available via:

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

and

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

Pension Strain

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

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

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

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

UHI Perth has been working with the Tayside Pension Fund (TPF) to put in place an agreement to pay the Pension Strain costs associated with 12 voluntary severance applications over a longer period of time (up to 5 years). These 12 members of staff left UHI Perth between October 2023 and September 2024 (inclusive). The approximate strain cost is £470k (final figures are pending as the accurate strain costs are being recalculated due to the cost-of-living award from September 2022 and September 2023).

It is anticipated that the agreement will be produced in October/November 2024, however, due to the level of cost the agreement requires board approval.

Request: The Board of Management are therefore requested to approve the agreement in principle so that once it is received and has been checked the Chair of the Board will sign the agreement on behalf of UHI Perth.

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Perth College UHI

Paper No. 9

Committee	Board Of Management
Subject	Annual Health, Safety and Wellbeing Report
Date of Committee meeting	23/10/2024
Author	Ian Bow, Health, Safety and Wellbeing Advisor
Date paper prepared	02/10/2024
Executive summary of the paper	This report is intended to give board members, senior management and all stakeholders an understanding of health, safety and wellbeing arrangements in place within the College, and to provide assurances on the adequacy of these measures. This report is a statement of UHI Perth health and safety management for the academic year 2023/24 and its intentions going forward for 2024/25 and beyond. This report highlights the key health and safety measures and systems within our Safety Management System to minimise risk and ensure the health, safety and wellbeing of our staff, students and visitors. UHI Perth is committed to continual improvement of health and safety. The contents provide a review of management arrangements, health and safety activities and lessons learned in this reporting period. **Board is requested to Approve the Report and to authorise the signing of the H&S Policy Statement.** **Board is also requested to appoint a Board H&S Champion.**
Consultation Please note which related parties, stakeholders and/or Committees have been consulted	Discussed at Health & Safety Committee; Reviewed and endorsed at Audit Committee, 09/10/2024

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Action requested	☐ For information ☐ For discussion ☐ For endorsement ☒ For approval
Resource implications Does this activity/proposal require the use of College resources to implement? If yes, please provide details.	No
Risk implications Does this activity/proposal come with any associated risk to the College, or mitigate against existing risk? (If yes, please provide details)	Yes Outline of actions taken by the college
Link with strategy Please highlight how the paper links to the Strategic Plan, or assist with: • Compliance • National Student Survey • partnership services • risk management • other activity [e.g. new opportunity] – please provide further information	n/a
Equality and diversity Does this activity/proposal require an Equality Impact Assessment? If yes, please give details:	No

Perth College UHI

Data Protection Does this activity/proposal require a Data Protection Impact Assessment? If yes, please give details:	No Click or tap here to enter text.
Island communities Does this activity/ proposal have an effect on an island community which is significantly different from its effect on other communities (including other island communities)?	No If yes, please give details: Click or tap here to enter text.
Status (e.g. confidential/non confidential)	Non Confidential
Freedom of information Can this paper be included in "open" business?*	Yes

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

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

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

Further guidance on application of the exclusions from Freedom of Information legislation is available via:
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and
http://www.itspublicknowledge.info/web/FILES/Public_Interest_Test.pdf

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Annual Health, Safety and Wellbeing Report

Academic Year 2023-2024

Ian Bow, Health, Safety and Wellbeing Adviser **UHI Perth**

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Executive Summary

The Academic Year 2023-24 proved to be challenging in many ways. Uncertainty regarding the financial situation of the organisation resulted in a period of organisational change and industrial action from both our Academic and Professional Services staff over nationally agreed pay meant there were significant disruptions as well as additional stressors placed upon our students and staff. We have, in the end, come out of this period with a different perspective and acceptance that we can and will address the local stressors and maintain a safe working environment.

Managers have received training to address the stressors within their area of responsibility and to conduct stress surveys and risk assessments for their departments, teams and individuals with support, advice and guidance readily available.

Our planned Health and Safety compliance audits of high-risk areas followed a review of legislative and internal policy requirements. Audits conducted under a revised methodology were completed and identified where improvements in departmental safety management systems must be made. Verification of the above findings were provided by Henderson Loggie who audited our safety organisational safety management system during April and May and identified only two areas which required improvement.

These audits were instrumental in highlighting weaknesses where safety matters require attention. We are confident the College is complying with legislation, internal policies and procedures. Health and Safety Policies and Procedures continue to be reviewed by the Health and Safety Committee to ensure they meet our needs and legislative requirements.

Focus for this period concentrated on training and risk assessment where steps have been taken to train and refresh competencies of our employees, especially those with specific health and safety responsibilities. Following the restructuring of management roles, the imperative was to ensure that “new” postholders had the requisite skills and knowledge.

Introduction

This Annual Health, Safety and Wellbeing Report for the Academic Year 2023-2024 is compiled by the Health, Safety and Wellbeing Adviser to provide an insight into the Health and Safety Management System at UHI Perth. It shall give the Principal and Chief Executive, Board of Management, Health and Safety Committee and all stakeholders detail of the actions and initiatives taken to enhance the health, safety and wellbeing of our employees and students.

This academic year has yet again been challenging for our employees and students with a major organisational change process being undertaken. UHI Perth has over 5,500 students and over 480 employees. Whilst we adapt to a new structure, roles and responsibilities and new ways of study and work in these challenging times, we understand the pressures our employees and students face. Every effort has been taken to ensure we provide a healthy and safe work environment where employees and students can thrive.

1. Health and Safety Management

1.1 Policy

The UHI Perth Health and Safety Policy is the foundation of the College Safety Management System. The Policy is read in 3 parts, the Statement of Intent (Part 1) which is signed by the Principal and Chief Executive and the Chair of the Board of Management. It states their commitment to ensuring a safe and healthy working environment. Health and Safety Organisation (Part 2), identifies roles and responsibilities to ensure the Policy is enacted effectively. Health and Safety Arrangements (Part 3), supplement additional health and safety related policies and procedures giving further direction and guidance on the implementation and enacting of the policies. These health and safety related policies and procedures provide instruction, guidance to ensure legal compliance.

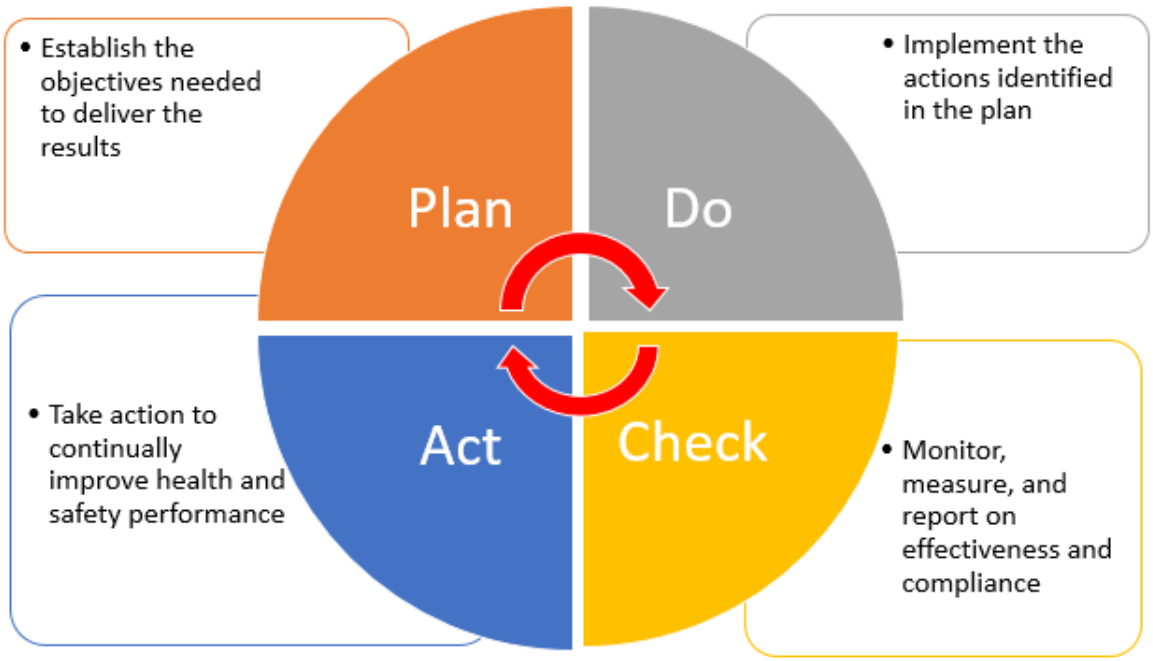
1.2 Planning and Implementation

UHI Perth, (the College), as the employer, has a legal duty to put in place suitable arrangements to manage Health and Safety. The Management of Health and Safety at Work Regulations 1999 requires the College, as the employer, to ensure measures are in place to control health and safety risks. The Health and Safety Executive (HSE) state the employer should have processes and procedures in place to meet the legal requirements and as a minimum:

- a written health and safety policy;
- assessments of the risks to employees, students, contractors and any other people who could be affected by their activities and record the significant findings in writing;
- arrangements for the effective planning, organisation, control, monitoring and review of the preventive and protective measures that come from risk assessment;
- access to competent health and safety advice;
- provide employees and students with information about the risks in the workplace and how they are protected;
- information, instruction and training for employees and students in how to deal with the risks;

- ensuring there is adequate and appropriate supervision in place;
- consulting with employees about their risks at work and current preventive and protective measures.

The diagram below, “Plan, Do, Check, Act”, is a cycle where we set our objectives as directed in our Health and Safety Policies then implement those objectives by establishing safe working environments and procedures. We check our plans by monitoring and audit to establish if our systems are effective and if not, we take actions and adjust, continually striving to improve our performance.



The Policy and Procedure Group (a sub-group of the Health and Safety Committee) are continuing to review policies and procedures in line with recommendations made by the Henderson Loggie external audit in May 2020. These documents are reviewed by the Health and Safety Committee on a 2 yearly basis, the exception is the UHI Perth, Health and Safety Policy and procedures documents, which are reviewed annually.

In January 2024, the Health and Safety Committee were asked to approve the combining of the Emergency Evacuation Procedure with the Fire Safety Management Policy and procedures, and the Control of Noise at Work Policy with the Controls of Vibration Policy. This was approved and the policies approved in February, thus reducing the overall workload from 21 documents to 19.

Equality Impact Assessments (EQIA’s) ensure policies, procedures, practices and decisions are fair, meet the needs of employees and students and that they are not inadvertently discriminating against any protected group. All our Policies and Procedures are Equality Impact Assessed and once approved by Health and Safety Committee policies and procedures group and then through the Perth Leadership Group are published on our website.

The Health and Safety Committee plays an integral part in the Health and Safety Management by:

- Monitoring the organisation's health and safety performance against legal and statutory requirements.
- Delivering Health and Safety Policy(ies), strategy and plans and in particular, the College Health and Safety Programme and make recommendations.
- Reviewing annually the College health and safety management system and the relevant parts of the risk register and make recommendations.
- Providing a consultation forum for management, employees and unions on health and safety matters
- Promote co-operation between the College and its employees and students in instigating, developing and carrying out measures to ensure health and safety.
- Ensuring accidents and near misses are recorded, fully investigated and commit to reducing work-related injury and ill health and to take all reasonable steps to promote health and well-being at work
- Reviewing accident, incident, work related absence and occupational ill-health trends and to make recommendations for corrective action.
- Considering reports on health and safety inspections, audits and other monitoring activities and make recommendations.
- Considering reports and information provided by inspectors of the enforcing authorities.
- Considering reports submitted by Trade Union Safety Representatives or other Committee members.
- Promoting and overseeing health and safety training in the College at all levels and monitor attendee data.
- Making recommendations on improvement of health and safety performance and minimisation of occupational injury and ill health as appropriate

1.3 Cooperation and Communication

The Health and Safety Committee consists of representatives from curriculum areas, professional and support services departments, Trades Unions and Students and is the forum for discussion, information and consultation. Membership was expanded during this reporting period to include additional representatives from Professional Services. The Committee has met on 4 occasions in this reporting period. Membership of the committee consisted of:

- Chair (Head of HR & OD)
- Member of Board of Management
- Depute Principal
- Vice Principal Operations
- 4 x Sector Development Directors (or deputy)
- Head of Learning and Teaching Enhancement
- Head of Student Experience
- Head of ICT and Digital Transformation
- Head of Business Development
- Director of the Centre for Mountain Studies
- Library and Careers Team Leader
- Quality Manager
- Unison Employee Side Representative(s)
- EIS Employee Side Representative(s)
- Head of Estates

- Health, Safety and Wellbeing Advisor
- Student Body Representative

It should be noted that the Member of the Board of Management was not able to attend any of the meetings during the academic year.

Due to reorganisation, a revamped representative structure going forward for this Committee has been announced. Membership shall be as detailed below:

- Director of Estates (Chair)
- Director of Curriculum, AHE
- General Manager, ASW
- Director of Teaching, Learning & Quality Enhancement
- Director, Student Experience
- Director of Finance
- Health, Safety and Wellbeing Adviser
- Director of Information Services
- Director of HR & OD
- Depute Principal, Operations
- Director of Curriculum, BSTW
- Director – Centre for Mountain Studies
- EIS H&S Representative
- Unison H&S Representative
- Board of Management 'H&S Champion' - pending appointment
- HISA Representative
- AST Training Manager (optional)

On our PerthHub Intranet Site we have SharePoint communication pages for Health, Safety and Wellbeing and a separate page for Health and Wellbeing. The former contains information on General Health and Safety, Risk Assessments, Training Materials and Resources, Health and Safety Performance and Employee Health and Wellbeing. The latter contains information on Healthy Eating, Stress Awareness and Mental Wellbeing and Physical Wellbeing and Workplace Wellbeing.

These pages provide us with the ability to directly communicate instantly with updates, news, promotions and links to internal and external sites.

1.4 Training and Competence

The Health and Safety at Work Etc. Act 1974 and the Management of Health and Safety at Work Regulations 1999, place duties on the College as the employer to provide suitable and sufficient information, instruction and training in order to ensure health and safety compliance and competence of employees to carry out their role.

During this reporting period the Health, Safety and Wellbeing Adviser has conducted 20 in-house face-to-face training sessions with a variety of employee groups in order to address the above.

To date, 6 members of the Perth Leadership Group have successfully completed the Institute of Occupational Safety and Health (IOSH) Managing Safely and 2 others having completed their NEBOSH qualification which is higher than the IOSH Managing Safely. 1

member of the Senior Leadership Team has completed the IOSH Safety for Executives and Directors and another enrolled to complete the programme.

To provide our employees with the skills and competence for their roles, we have provided a variety of face-to-face training sessions. In this reporting period, we have trained an additional 9 General Risk Assessors and 4 Manual Handling Risk Assessors as well as providing specific training to employee groups where a need has been identified. 2 new estates facilities employees attended Manual Handling, Working at Height and Lone Working training.

Our First Aid trained personnel are certified for 3 years as competent. Prior to their certification ending, they are given the opportunity to requalify. We have trained another employee to conduct the first aid role within our Brahan Food Court providing immediate in-situ response to any injury. An additional 5 employees have completed the Scottish Mental Health First Aid training which teaches people how to identify, understand and help someone who may be experiencing a mental health issue.

Perth and Kinross Council provide a driving competency training course for minibus called MiDAS. 4 employees have attended and passed this course which promotes a UK wide standard for the assessment and training of minibus drivers and is viewed as best practice. The scheme aims to enhance minibus driving standards and safe operation of minibuses. This is important to us as we transport our students to outdoor events, exhibitions and educational visits.

Online mandatory Health and Safety training continues on the Brightspace and Marshalls platforms and is monitored by Human Resources (HR). All new employees are required to complete the modules within their probationary period. These modules are time bounded and are to be refreshed every 3 years. Managers and individuals are sent reminders from HR when their training is not complete or if they are out of date. Below is a table indicating overall levels of compliance.

Table 1. Mandatory Health and Safety e-learning

Mandatory Module	Completed	Incomplete/ due refresher	Overall
Fire Awareness	400	79	83.4%
Stress Awareness	391	89	81.5%
Health & Safety 1	384	96	80%
Health & Safety 2	392	88	81.7%

1.5 Risk Management

Risk management is a step-by-step process for controlling health and safety risks caused by hazards in the workplace. A sensible approach to health and safety means focusing on

the significant risks, those with potential to cause real harm and suffering, and avoiding wasting resources on everyday and insignificant risks.

Managing our risks is a priority and compliance with the Management of Health and Safety at Work Regulations 1999, Regulation 3 must be adhered to. Managers and departmental risk assessors manage this at local level by:

- identifying hazards in their tasks, processes and activities that could cause injury or illness in the workplace;
- deciding how likely it is that someone could be harmed and how seriously by evaluating the risk and consulting the operatives;
- taking actions to eliminate the hazard, or if this isn't possible, controlling the risk by reducing it to as low as reasonably practicable.

A hazard survey has been conducted for each department and work environment in order to identify those foreseeable hazards likely to cause harm, considering the tasks, processes and activities undertaken within the work environment. This is the foundation of the risk assessment process.

Risk assessments are to be completed and then reviewed annually or where there has been an incident, or it is suspected the controls measures identified are not effective or are too stringent.

Our Estates Department engage contractors to conduct works on site. All approved contractors must provide the Estates Department with copies of their Risk Assessments and Method Statements (RAMS), which are examined and commented upon as required prior to any works commencing as well as their public liability insurance details. Contractors are given a Health and Safety Induction by a member of the Estates team prior to conducting any works. Additionally, work permits are issued by Estates for hot works, working with electricity, roof access etc.

Departmental workplace health and safety inspections are conducted by departmental employees on a risk basis with higher risk areas completing an inspection twice a year and low risk area once. The main benefit of these inspections is the raising of awareness by employees to issues they may overlook within their work environment. Negative issues are raised in an appropriate manner either via the Estates Department, departmental or line managers or by seeking advice and guidance from the Health, Safety and Wellbeing Adviser.

The Organisational Health and Safety Risk Register has been reviewed and presented to the Health and Safety Committee. Review of the risk register is conducted to monitor levels of risk from 17 different hazards identified, taking into account any trends in accidents and incidents, sector activities and national trends.

1.6 Advice and Support

The Health, Safety and Wellbeing Adviser (HSWA) is the appointed “Competent Person” as per the Management of Health and Safety at Work Regulations 1999, Regulation 7 and the appointed “Responsible Person” on behalf of UHI Perth for the reporting of accidents and incidents which fall under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013 (RIDDOR). In the absence of the HSWA, we have access to support and guidance from the Head of Estates at UHI Perth and other Health and Safety Competent Persons with the UHI Partnership.

The Health, Safety and Wellbeing Adviser continues to provide support and advice to management, employees and students. Audits and inspections in this reporting period has identified a continuing requirement for health and safety related training as well as advice, guidance and assistance for risk assessment compliance.

2. Audit and Review

2.1 Internal Audits

Internal Health and Safety Audits identify strengths and weaknesses in the Safety Management System at organisational and departmental level and direct management and employees towards improvements, ensuring the application of our Policies and Procedures as well as legal compliance. The above also raise the profile of Health and Safety with employees and students.

The internal audit questionnaire was reviewed in December 2023 by the Head of Estates, Sector Development Director for STEM and the Health, Safey and Wellbeing Adviser. The audit question set has undergone a fundamental change, reducing from 96 questions to 57 concentrating on legislative and policy requirements.

During this reporting period, 9 of the “higher” risk areas were re-audited. The question set is divided into 10 sections:

- Health and Safety Management Arrangements
- Health and Safety Information
- First Aid, Incident, Near Miss Reporting
- Occupational Health
- Plant, Equipment and Machinery
- Electrical
- Personal Protective Equipment
- Fire
- Housekeeping, Storage and Welfare
- Traffic Management

The grading system is in line with the overall ranking detail below, giving a percentage of conformity to the Audit Question Set although where a particular critical question relates to legislation or UHI Perth policy and is found to be non-complaint, this would constitute an audit failure where immediate remedial actions are to be taken.

Scoring between 90% - 100%, Green, Fully compliant with possibly some minor observations
Scoring between 75% - 89%, Yellow, Mainly compliant with some minor observations
Scoring between 60% - 74%, Amber, Partially compliant with some major observations
Scoring between 0% - 59%, Red, Non-compliant with a large number of significant observations.

Common non-compliance issues found were non-review of risk assessments or no assessments available, or unsuitable storage of hazardous materials. Other issues relating to policy non-compliance were incomplete mandatory health and safety e-learning and non-completion and recording of workplace inspections. An audit summary and action plan is

created for each, forwarded to the responsible manager and head of department for scrutiny and action. Priority 1 observations require immediate response and resolution.

To ensure observations and actions from these audits are followed through, actioned and resolved, feedback is sought to provide an update of action plans and progress towards resolution to the Health and Safety Committee for scrutiny.

Due to ongoing industrial action and time constraints, 2 of the identified "higher" risk area have yet to be audited. This will take place in August 2024.

Higher risk areas audited during this reporting period are identified in the table below.

Table 2. Health and Safety Audits conducted

Date	Area	Audit Pass/Fail	Compliance Rating	No of Priority 1 Actions Identified	No of Priority 1 Actions Completed
14/09/2023	Sports and Fitness	Pass	95%	0	N/A
25/01/2024	Plumbing and Gas Technology	Fail	92%	3	3
09/02/2024	Food Studies and Hospitality	Pass	98%	0	N/A
28/02/2024	Motor Vehicle	Fail	86%	5	5
06/03/2024	Construction/Built Environment	Fail	92%	3	3
21/03/2024	Joinery Workshop	Fail	94%	3	3
26/03/2024	ASW Commercial	Fail	83%	5	5
11/04/2024	Engineering Workshop	Pass	90%	0	N/A
25/04/2024	Aviation Hub	Fail	88%	3	3
22/05/2024	Audio Engineering & Theatre Arts	Fail	83%	8	4

2.2 External Audit

An external audit of UHI Perth Health, Safety and Wellbeing was conducted by Henderson Loggie in April and May 2024. A "Level of Assurance" of Satisfactory (System meets control objectives with some weaknesses present), was given with observations in 2 objectives.

Objective	Findings				
The objective of the audit was to obtain reasonable assurance that the College has:		1	2	3	Actions already planned
		No. of Agreed Actions			
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**	-	1	1	
3. A Health, Safety and Wellbeing training programme which includes induction training, refresher training and training for new equipment and legislation.	**Requires Improvement**	-	1	-	
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**	-	-	-	
Overall Level of Assurance	**Satisfactory**	**-**	**2**	**1**	
		System meets control objectives with some weaknesses present.			

The College Nursery has received no external audits from the Care Inspectorate or the local authority and this provision was closed in June 2024.

2.3 Departmental Health and Safety Inspections

As noted in the Internal Audits, the completion and recording of Departmental Health and Safety Inspections using the Workplace Inspection Checklist document has slipped again in some areas. The reduction of questions in the audit question set was due to duplication of themes in the workplace inspection checklists, therefore there was an expectation for many more being sent to the HSWA although most are held in the department files. The HSWA has requested “read only” access to departmental health and safety SharePoint areas to monitor health and safety compliance.

Workplace inspections for “Low Risk” areas (ie. library, offices, classrooms) are to be undertaken once in an academic year whereas “High Risk” (ie. kitchens, workshops) undertake a formal inspection each semester.

Managers and employees are required to examine:

Workplace Space and Layout
Work Equipment
Slips, Trip and Fall Hazards
Manual Handling Hazards
Fire Safety
Disability Access and Arrangements

Furniture and Fittings
Welfare Arrangements
Risk Assessments

Negative responses are highlighted on an action plan for resolution. Managers are to ensure they are followed through to completion.

3. Monitoring Performance

3.1 Proactive and Reactive Monitoring

Proactive monitoring in terms of safety management is about identifying and resolving any issues before an incident or an accident occurs. Proactive safety measures include:

- Inspections
- Interviewing
- Audits
- Monitoring performance
- Monitoring behaviour
- Checking procedures
- Safety sampling

Our internal Safety Audits and Workplace Inspections, ongoing training, near-miss reporting all form part of our proactive safety management arrangements. The benefits of the proactive safety regime are that we improve and imbed a positive safety culture helping to prevent accidents from occurring.

Reactive monitoring is about dealing with issues, accidents and incidents after an event has occurred. Reactive monitoring of safety measures is about putting things right, correcting the fault and putting in place measures to stop the event happening again. Reactive safety measures include:

- Accident reporting
- Accident investigation
- Incident investigation
- Ill health and sickness reviews
- Identifying trends

Proactive monitoring in the form of Safety Tours observing work practices, Safety Sampling and Safety Surveys examining activities, processes or work areas continue and have highlighted numerous issues which have been raised with departmental heads as well as the Estates Department where required. Most issues are quickly resolved by the manager or operative. Where there is a resource requirement, these are raised through the appropriate channel.

Reactive monitoring as noted in 2.1 above, Health and Safety Audits, has proved invaluable as a means of identifying areas of good practice and where improvements can and must be made. Matters arising are noted on the Departmental Health and Safety Audit Action Plans for resolution. Action plans are reviewed to monitor completed and outstanding actions. As above, managers are responsible for ensuring actions are resolved.

Departmental Workplace Inspections (1.5 above) are completed on a risk basis. It was also noted in the health and safety audits the question posed regarding fault reporting with respondents confirming the correct procedures.

Where an accident, incident, near miss or dangerous occurrence was reported, investigations were conducted where applicable in line with current procedures and to the commensurate level dependant on actual injury, damage or potential to cause injury or damage. Near misses and any dangerous occurrences were investigated in all cases with corrective actions identified where required and practicable.

Sickness absence monitoring continues by the HR&OD Department who provide support and guidance to employees and managers.

3.2 Key Performance Indicators (KPI's)

The comparison of Key Performance Indicators with previous years is shown in the table below. Unfortunately, the UHI Health and Safety Practitioners Group has not met formally during this reporting period therefore we have no opportunity to compare our KPI's with other institutions within the partnership. A table of the KPI's is at Appendix 1.

3.3 Accidents, Incidents and Near Misses

During this reporting period there have been 68 reported accidents and incidents requiring first aid intervention. Appendix 2 of this report shows a graphical display of the full academic year, and the quarterly statistics reported to Health and Safety Committee. Also included in Appendix 2 are year-on-year graphs for comparison from the academic year 2020-21 to 2023-24.

Accident, Incident, Near Misses etc. are reported quarterly to the Health and Safety Committee. Annual statistics show a decrease of reports from last year and also a decrease in the number of students and employees injured. In addition, it is noted that the number of injuries in our Academy of Sports and Wellbeing (ASW Commercial) has reduced in this reporting period from 30 reported sports injuries to 15. For reporting purposes, these figures are subtracted when reporting our Key Performance Indicators (KPI's).

Of all the incidents, 38 were classed as "Negligible", a minor injury requiring minimal First Aid and a return to work/activity. 29 were classed as "Low", again a minor injury requiring minimal First Aid and a return to work/activity but with possible repercussions. There was 1 "Medium" incident requiring First Aid and/or further treatment off site with an absence from work or study and finally. No "High" grade incidents were reported which require medical treatment and stay in hospital and absence from work or study for over 7 days. There have been 3 RIDDOR reportable instances, these include a student with a hand laceration caused by sheet metal, another relates to a student who had tripped on a pathway leading to the carpark and sustained a fracture of the ankle. The 3rd was another student who required hospital treatment due to a drill bit entering his hand.

Our First Aid Team attended to 40 calls for assistance where persons did not have an accident on Campus but required first aid assistance. Calls included students feeling unwell, suspected anaphylaxis, fainting episodes, anxiety and panic attacks, seizures and nose bleeds as well as dressing or re-dressing injuries acquired externally including self-harm wounds.

There were 6 Hazardous Situations reported which notably included an electric grill being left on overnight, a minor mercury spill, concern over loose dogs jumping up on a mother and child, bald tyres on the college mini-bus and faulty electrical lights/switch in a staff base.

A Safety Concern was raised regarding academic staff not following due process of completing required documentation prior to a student residential visit.

8 Near Misses were reported during this period. Main concerns raised were caretaking staff entering buildings as Storm Babet subsided, a vehicle disregarding the one-way system early in the morning, trip hazards which had not been mitigated effectively and report of reckless driving.

All reports were investigated, and suitable measures put in place where required and practicable. No injuries were sustained.

3.4 Sickness Absence

The total days lost due to sickness absence for the period was 2962.5 days. Short term sickness absence (less than 4 weeks) attributed to 1482.5 days lost and long term attributed to 1480 days lost.

A comparison with the period August 2022 – July 2023 shows an increase in the total days lost due to sickness absence of 35% taking the level of sickness absence to just below those seen in 2021-2022. There was also an increase in short term sickness absence for all categories of staff (Professional Services (13% increase), Academic (20% increase) and Management (58% increase – which due to numbers of staff in this group equates to a 13.5 day increase)), and also an increase in long term sickness absence for Professional Services (46% increase) and Academic Staff (78% increase).

The top three reasons for Long Term Sickness Absence were: Work-related stress (17%), Cancer (16.6%) and Injury (14%).

The top three reasons for Short term sickness absence were: Work related stress (30%), Cold/Flu (13.3%); Not disclosed (7%).

Of the 31 members of staff who were off on long term sickness absence during the 2023-24 financial year and up to the point of creation of this report 7 chose to leave and we had two deaths in service.

Our aim is to ensure, where possible, that all colleagues who are absent from work have a successful and sustained return, in some cases this may be to an alternative role or a modified role where reasonable adjustments have been made. UHI Perth has also put reasonable adjustment passports in place to allow staff to have more visibility of the arrangements for reasonable adjustments and we support staff to submit access to work claims where possible.

The Disability Review delivered during 2023-24 recommended that there be a centralised reasonable adjustment budget and this is being taken forward in the next financial year.

There may a successful and sustained return to work is not possible, for example, a colleague has a permanent medical condition which deems them incapable of undertaking

employment to normal retirement age. In these cases, if a colleague is a member of the pension scheme, they may be able to access their pension benefits early. There were no such cases during 2023-24.

3.5 Fire Safety

Fire Risk Assessments were conducted by the HSWA on all Campus buildings in June 2024:

Brahan
Goodlyburn (including Dunne Aviation Hub)
ASW
Webster
Glen Lyon
Glen Almond
Glen Shee

Minor observations noted during the assessments have been discussed with the Head of Estates and Estates Officer for corrective actions.

The former Nursery has yet to be assessed due to the proposed change of use. This will occur once the review of accommodation has been finalised.

There were no callouts to Scottish Fire and Rescue Service during College hours in this reporting period.

There have been 5 fire evacuations of buildings on Campus in this reporting period, all of which were false alarms.

- Brahan room 144a Textile Room. Contractors running IT cables in ceiling void, smoke detector in void activated by dust.
- Goodlyburn male toilets adjacent to room 409, Art Studio. Vaping in toilets activated the smoke detector.
- Brahan room 302 male changing room. Smoke alarm activated, no indication of vaping, smoking or aerosol deodorant.
- Goodlyburn level 3 accessible toilet, vaping activated the smoke detector
- Goodlyburn Electrical Workshop, toast stuck in toaster activated smoke detector in corridor. Noted the smoke detector in the “kitchen” area was covered with a rubber glove.

2 records have been filed relating to “bonfires” in the wooded area to the rear of Brahan, One was attended by Scottish Fire and Rescue Service in the early hours of the morning causing damage to a conifer and shrubbery. Cause was not recorded, and no report received from the Fire Service. The second incident was noted by our Facilities staff who fully extinguished the residue of a “bonfire”.

To ensure the safe evacuation of persons with physical impairments (ie. mobility or sight) our 12 evacuation chairs located across the Campus were inspected and serviced in April 2024. Evac-Chair training sessions with our Evacuation Team identified difficulties using the chairs over the safety strips located in some of our stairwells. The textured safety strips will be replaced during summer works 2024.

All emergency fire-fighting equipment (FFE) (extinguishers and blankets) were inspected and serviced in October 2023 with replacement equipment for all those past their shelf or servicing timeline.

Fire Awareness training (see 1.4 above) on the Brightspace platform continues as a mandatory requirement for all employees. Fire Marshall training on the same platform is obligatory to most academic staff and also those nominated to be Fire Marshalls for their work environment. To date, we have 384 trained Fire Marshalls.

Building Fire Logbooks were introduced in February 2024 which formalises the weekly, monthly and annual assurance checks, inspections and recording of fire safety equipment and matters by our Estates Caretakers.

We reviewed our Fire Safety Management Policy and Procedures to put in place measures to ensure any activation of the alarm during the period of occupancy in any building is investigated and a confirmatory 999 call made to the Scottish Fire and Rescue Service as appropriate. Testing of these arrangements have proved effective in ensuring a safe and timely evacuation.

4. Health and Wellbeing

4.1 Health and Wellbeing Group

The Health and Wellbeing Group met on 5 occasions prior to being subsumed into the Perth Staff Group. The rationale for this move was to address one of the major issues from the Stress Survey which commented on the number of meetings some employees were obliged to attend and the stressors placed upon them due to the volume of meetings. The group consists of members from Curriculum and Professional Services and is chaired by a member of the Senior Leadership Team.

Health and Wellbeing is a standing agenda item for this group where matters concerning the promotion of healthy eating and lifestyles, mental and physical health are reported and discussed.

During this academic year we have again promoted National No Smoking Day, Men’s Health Week, Mental Health, Stress Awareness Month, Cancer awareness including Prostate Cancer and the new Employee Assistance Programme which replaces our offering from Rowan Counselling.

In April we promoted Stress Awareness Month with face-to-face stress awareness sessions, publications from MIND, Mental Health UK, NHS Scotland and the Stress Management Society as well as the resources available on the Health and Wellbeing SharePoint page.

4.2 Stress

In January 2024, we conducted a repeat Stress Survey with our employees in order to determine the stressors being felt in the workplace. With the main stressors identified, many of which stem from the current financial position and uncertainties over the College future, the Stress Management Group are taking forward the key issues raised in an effort to alleviate the stressors.

To address the issue of stress, in particular stress in the workplace, we have promoted our e-learning Stress Awareness package as well as face-to-face training. UHI Perth is working towards the recommendations of the Health and Safety Executive (HSE) Management Standards. These standards represent a set of conditions which if present:

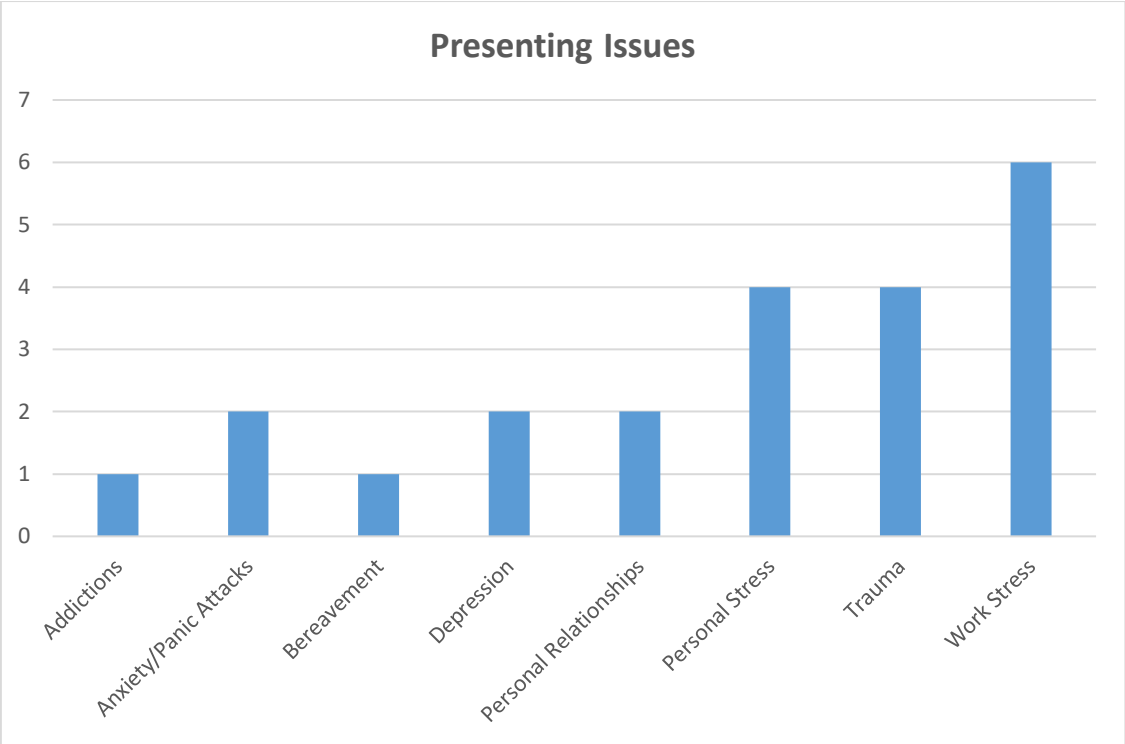
- demonstrate good practice through a step-by-step risk assessment approach
- allow assessment of the current situation using pre-existing data, surveys and other techniques
- promote active discussion and working in partnership with employees and their representatives, to help decide on practical improvements that can be made
- help simplify risk assessment for work-related stress by:
    - identifying the main risk factors
    - helping employers focus on the underlying causes and their prevention
    - providing a yardstick by which organisations can gauge their performance in tackling the key causes of stress.

They cover 6 key areas where workplace pressures are likely to exist and if not managed properly can have an adverse effect on employee health and safety. These areas are:

- Demands, this includes issues such as workload, work patterns and the work environment
- Control - how much say the person has in the way they do their work
- Support - this includes the encouragement, sponsorship and resources provided by the organisation, line management and colleagues
- Relationships - this includes promoting positive working to avoid conflict and dealing with unacceptable behaviour
- Role - whether people understand their role within the organisation and whether the organisation ensures that they do not have conflicting roles
- Change - how organisational change (large or small) is managed and communicated in the organisation

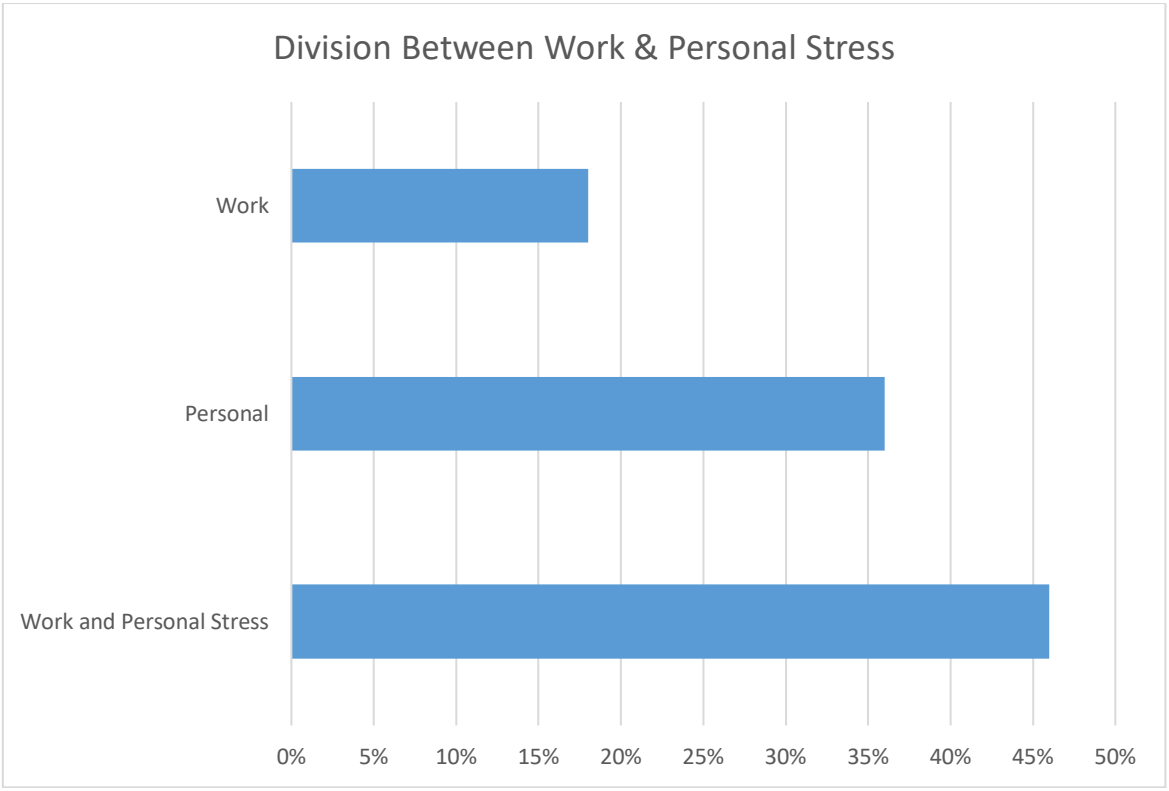
The HSWA has conducted face-to-face Stress Awareness sessions of 1 hour with 10 attendees designed to raising the issues of stress, signs and symptoms, causation and methods of alleviating stress in ourselves, colleagues, friends and family. We have also provided Managing Stress for Managers training sessions to build on their skills and confidence to address stress and conduct Stress Surveys and Stress Risk Assessments with their teams and individuals and to provide guidance and support to them. These sessions have been attended by 30 managers. Stress surveys are to be conducted in all work areas as a starting point in opening discussions which will then lead to managers conducting stress risk assessments.

Rowan Consultancy were our Counselling Service, providing a confidential counselling service where employees can arrange for a minimum of 6 counselling sessions for work related and personal stress, anxiety and panic attacks, personal development, bereavement, loss, relationship issues and trauma. During this reporting period, 22 employees have attended the counselling service, either face-to-face, online or via the telephone. Of those completing in this reporting period, the table below indicates the issue the employee presented with.

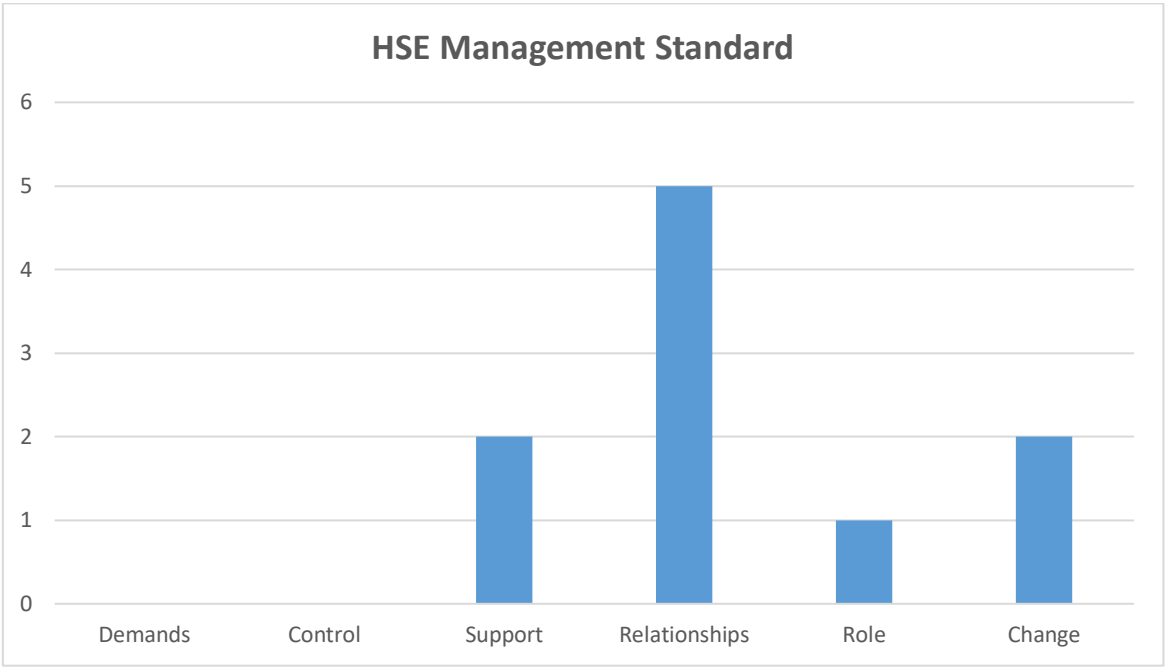


The statistics compared to last year are:

Addictions – increased from 0 to 1
Anxiety and Panic Attacks - decreased from 8 to 2
Depression – increased from 0 to 2
Loss & Bereavement – stayed the same at 1
Personal Development – decreased from 3 to 0
Personal Relationships – decreased from 4 to 2
Personal Stress – increased from 2 to 4
Trauma – increased from 1 to 4
Work Stress – increased from 3 to 6



The 6 employees who presented with work related stress noted their primary issue in the context of the HSE Management standards below (each employee can note a maximum of 3 standards). The Stress Management Group continue working to meet the standards.



The statistics compared to last year are:
Personal Issues – reduced from 41%.
Work Issues – increased from 14%
Work and Personal Issues - decreased from 45%
Following the work from the Stress Management group the following objectives were set

- All Heads of Departments shared the results from the stress survey with their teams and were then required to hold a team stress risk assessment to assess how their

individual teams/departments are feeling and whether they mirror the results seen in the 2024 survey – some of these team stress risk assessments remain pending
- Heads of Department were then tasked to collectively identify the top 10 stressors for the College.
- Staff were encouraged to speak to their line manager, Head of Department, Trade Union representative or HR
- A recommendation that PLG managers go through 360° appraisal in 24/25 – this is being put in place
- The Stress Management Policy was updated
- Any new line managers must have the line manager stress awareness training.

4.3 Health Surveillance

Medigold, our Occupational Health Provider have conducted 6 health surveillance clinics on Campus for those employees who were identified as requiring health surveillance due to their role and activities conducted within their work environment. Health surveillance testing has been arranged for Noise Induced Hearing Loss (Audiometry), Respiratory function (Spirometry) and blood testing for lead.

The logistics of arranging clinics and ensuring employees are invited to attend at a suitable date and time has been arranged by the Human Resources Department. Of the 6 clinics so far, most employees have been tested as identified below.

- **Audiometry (Hearing)**
    - Required: 93
    - Tested: 59
    - Outstanding: 34
- **Spirometry (Lung Function)**
    - Required: 28
    - Tested: 20
    - Outstanding: 8
- **Lead Testing (Blood Testing)**
    - Required: 3
    - Tested: 0
    - Outstanding: 3

Noting the staff can decline an offer to attend the health surveillance clinic. There are additional clinics arranged towards the end of the year.

4.4 Student Health and Wellbeing

The Student Health and Wellbeing Group, which is co-chaired by the HISA President and the Student Services Manager, was a sub-committee of the Health and Safety Committee. This group had not met during this reporting period and has also been disbanded in order to reduce the number of group and committee meetings employees were required to attend. The work identified in this group will be picked up by the Learner Engagement Group

The Student Counselling Service offers and provides free confidential face to face or online counselling to all students. During this reporting period, we have 3 British Association for Counselling and Psychotherapy (BACP) registered in-house counsellors.

Students can self-refer by emailing the counselling inbox or specific counsellor, be referred by academic or support employee or via other members of Student Services. Counselling is offered as short-term 6 session blocks with a blended approach of face to face and online.

The Wellbeing and Support Service provides mental wellbeing support for all students at UHI Perth. It is a free, confidential service offering face to face, telephone or Teams appointments for support and Personal Learning Support Plans (PLSP). The service consists of 1 full time Student Support Worker (SSW) and 2 full time Wellbeing and Support Officers (WBSOs).

The SSW and the WBSOs each provide 'duty cover' one day per week to support those students presenting in crisis or deep distress and who may pose a danger to themselves or others. Part of the duty cover responsibilities is to monitor and respond to communications through the designated duty cover email address.

The Wellbeing Service takes a proactive approach to promoting the need for students to take responsibility for their mental wellbeing. The service offers workshops to the wider student population to foster improved mental wellbeing, resilience, and therefore academic achievement.

It is hoped by promoting the importance of a positive sense of mental wellbeing that we can have a positive overall impact on students and their experience whilst they study at UHI Perth. The aim of the Wellbeing service continues to be to reduce the number of students whose mental health worsens over the course of the academic year by providing an open, non-judgemental approach to self-care within a mental health context.

Prior to the start of the 2023/24 academic year, UHI Perth employed a Mental Health Coordinator (MHC) who was tasked with developing strong links with local support agencies so that colleagues within Student Services could refer into these organisations as appropriate. During this academic year the MHC has worked to develop partnerships in the local community with the view of supporting our students more effectively. While doing so, the MHC was able to bring various specialist external services onto campus to provide support directly to our students. These services include The Samaritans, Mindspace, the Rape and Sexual Abuse Centre (RASAC) and Positive Steps. This makes it easier than ever before for our students to get the specialised support they need, removing many of the barriers that they previously experiences preventing them from using such resources.

The MHC has also set up various groups for college students and colleagues as well as delivering training to colleagues and outside agencies. The groups include the Man Cave (one of students and one for employees) the Neurodiverse Group for students and the delivery of the Scottish Mental Health First Aid (SMHFA) training to both internal and external colleagues. Unfortunately, the funding for this role was removed by the Scottish Government so this role end at the end of this financial year.

The College continues to have three internal Scottish Mental Health First Aiders who deliver this training for any member of staff who wishes to undertake this qualification.

4.5 Academy of Sports and Wellbeing (ASW)

The Academy of Sports and Wellbeing (ASW) provide an important venue for our staff, students and the wider community to train, participate in and enjoy a variety of sports and activities, improve health and fitness as well as overall wellbeing. As highlighted below, the ASW is seen as a popular and invaluable asset to the College and the community.

The climbing wall has term time provisions of climbing and bouldering activities for children as well as adults. Our National Indoor Climbing Award Scheme for 7+ year olds is currently sold out for its 3rd term in a row with a wait list of 140+ children. Academy of Rock was introduced in February for P1/2's. It is also in its 3rd term, each term having to expand to meet demand. Again, this is currently sold out and have 20+ children on the waiting list for a space.

Our toddler sessions are very popular, running 3 times a week giving parents a chance to connect in a different environment.

We have had to increase our adult social climbing sessions to meet demand. This has helped us support lots of new or anxious people to join the climbing community.

ASW has hosts 16 different sports clubs for their regular training venue across 7 different sports. One club of note that has moved to us is Perth Parrots floorball team. They are a LGBTQI+ inclusive club who make sport inclusive to all.

We hosted 55 major events in 2023-24 and have 102 major events booked in to happen in 2024-25 with us hosting 2 international tournaments for Futsal and Floorball. We have just hosted pickleball for the Queltic games a LGBTI+ sporting event.

With the closure of Bells we are Perths main venue for disability sport and host many clubs and major events promoting disability sports and are working closely with disability Scotland to ensure this continues.

Our gym membership has increased exponentially. We now have 1178 full members, 99 of which are UHI Perth employees. There are also 1787 casual members who use our facility as and when they wish.

Our fitness timetable now has over 50 classes available. These include classes to support all members of the community to enjoy fitness such as Zumba tone, low impact dance, various types of yoga and learn to lift sessions.

Our Active Campus Coordinator continues to offer ad-hoc sessions for staff as well as working with the ASW team to deliver sessions for staff and students.

5. Communications and Networking with External Agencies and Groups

This academic year, there have been no formal reports to the Health and Safety Executive (HSE) or requests from them to provide information or reports. Pertinent updates for the FE/HE sector from the HSE are provided during the College Development Network (CDN) Health, Safety and Wellbeing Group by a representative of the HSE.

The HSWA is a member of the above group as well as the Tayside Health and Safety Forum and the UHI Health and Safety Practitioners Group. The main topics of discussion throughout this year have been the changes to SFRS protocols, hybrid working, electric

vehicles batteries, smoking and vaping in or near buildings, training and development of employee and the reporting of violence and aggression. Within these forums, we share experience, knowledges and best practice.

6. Going Forward – 2024-2025

Progress is being made in promoting the Safety Management System to ensure it is robust and effective in providing a safe and healthy work environment. We shall continue with our "Plan, Do, Check, Act" cycle to ensure our objectives are on track.

6.1 Training and Competence

We shall continue to be provide IOSH training opportunities for our managers to raise their competence and awareness of the Health, Safety and Wellbeing issues.

Face-to-face in-house training sessions for subjects such as General, Control of Substances Hazardous to Health (COSHH) and Manual Handling Risk Assessors, COSHH Awareness, Working at Height, Manual Handling, Lone Working, Stress Awareness and Managing Stress for Managers shall be delivered throughout the year. Sessions will be offered to all employees and placed on the HR system for booking purposes. Additional bespoke training for individuals and employee groups will also be provided where a requirement is identified.

We will continue to promote our online training resources on Brightspace and Marshalls platforms with regular reviews and reports of enrolment and completion of mandatory training modules.

6.2 Internal Audits

The draft programme of Internal Health and Safety Audits and follow-up reviews of re-audits of higher risk areas will be put to the Health and Safety Committee in August. All other" lower risk" areas shall be programmed for audit during this academic year. Again, the focus shall be on monitoring compliance and previous audit action plan progress. Our Trades Union colleagues will continue to be invited to be part of the audit team and it is hoped their participation will be forthcoming where practicable.

6.3 Risk Assessment

The internal audit programme has identified the requirement for suitable and sufficient risk assessments which are regularly reviewed and amended as required. As stated above, additional training sessions will be programmed for General, COSHH and Manual Handling risk assessors. Continual review of risk assessments and compilation of new assessments for tasks, processes and activities shall proceed as directed in procedures.

6.4 Health and Wellbeing

We shall continue to provide advice and guidance to our employees and students and promoting healthy lifestyles, stress awareness and management along with a monthly focus on current and abiding issues such as No Smoking Day, Mental Health Week, Stress Awareness Month, Men's Health Week, Cancer Awareness days etc.

Additionally, we shall be promoting the monthly wellbeing topics from IDEAL our Employee Assistance Programme

6.5 Consultation

We will improve our consultation and clarity of relevant health, safety and welfare issues with our Trade Union colleagues as legally required by the Safety Representatives and Safety Committee Regulations 1977 and the Health and Safety (Consultation with Employees) Regulations 1989. We will actively seek their involvement to improve the safety management system and safety culture.

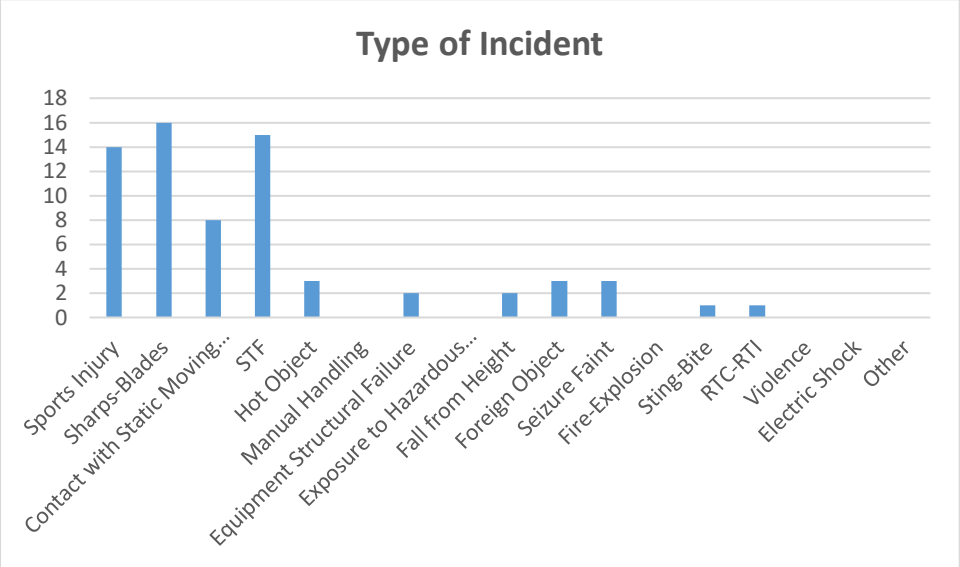
Appendices

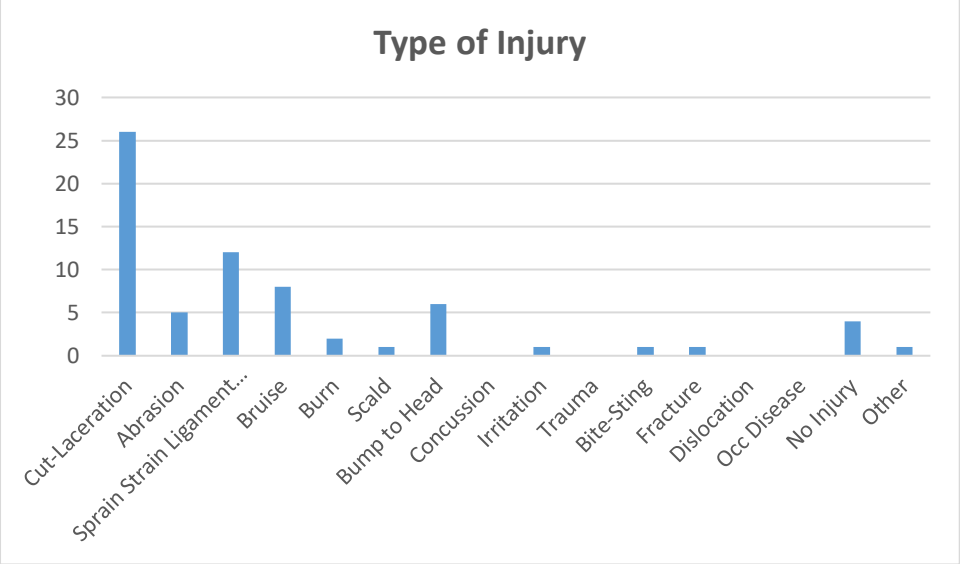
Appendix 1 - Key Performance Indicators
Appendix 2 - Accident and Incident Statistics
Appendix 3 - Sickness Absence Statistics

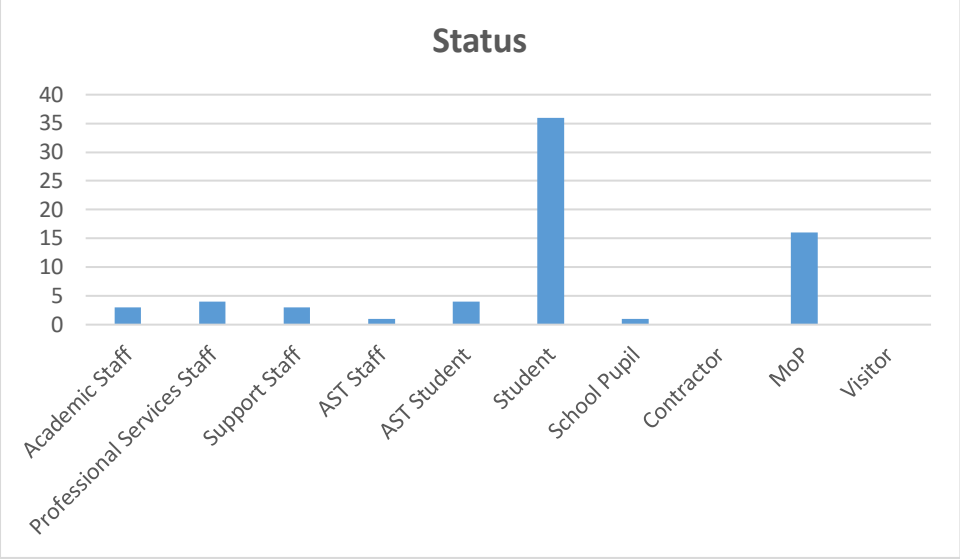
Appendix 1

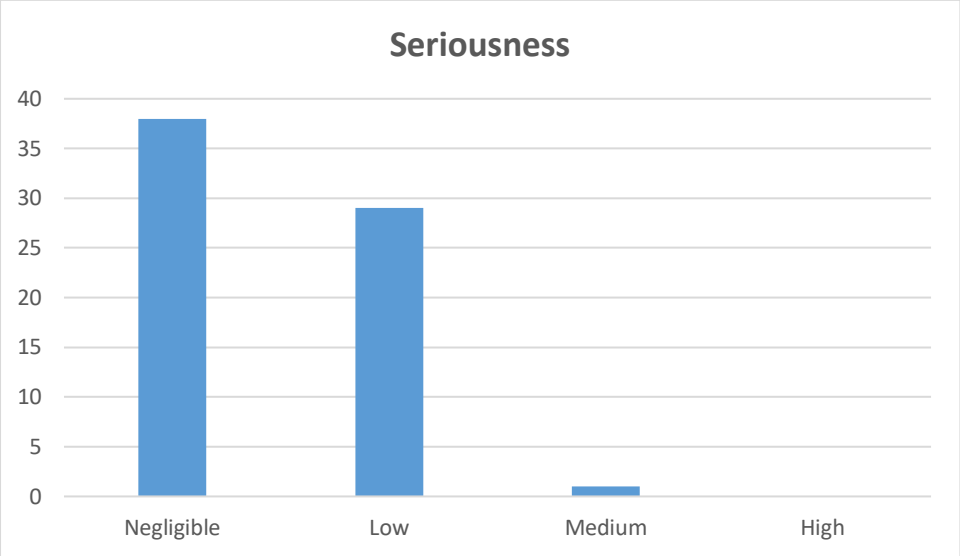
Action	Actual 22/23	Target 23/24	Actual 23/24	Comments	Target 24/25
Number of Leaders holding IOSH Directing Safety certification.	1	2	1		2
Number of PLG members and identified employees who hold IOSH Managing Safely or equivalent (ie. NEBOSH Qualification).	9	11	10	Additional employees identified to complete during 24/25	20
Number of employees having completed mandatory health and safety training.	92%	90%	81.7%	Linked to increase stress levels and staff therefore choosing not to engage	90%
Number of departmental safety inspections.	41	47	32	Not all departments reported in a timely manner, some nil report	35
Number of Internal Audits conducted against plan. *some audits combined for curriculum areas	23*	12	10	2 audits postponed due to industrial action and absence of required personnel. Conducted S1 2024/25	12
Number of Internal Audit Level 1 Priority Actions outstanding.	0	0	4	Pass to line manager as Employee tasked with action absent from work	0
College sickness absence within agreed levels (average sick days per head)	5.95	Less than 6.00	6.2	Increase seen in short term and long-term sickness absence	Less than 6.00
College percentage turnover levels within agreed levels	16%	Less than 20%	20.5%	Partially linked to number of staff leaving through Voluntary Severance	Less than 20%
Number of reported accidents/incidents (minus Members of the Public Sports Injuries)	79	Less than 100	52		Less than 90
Number of near miss, hazard and dangerous occurrence reports.	20	Min 25	15		Min 25
Number of employee lost time accidents.	0	0	0		0
Total number of working days lost due to accident/injury/ill health outwith work	2193	2083	2962.5		2200
Total number of working days lost due to accident/injury/ill health at work	0	0	0	No employees absent from work due to illness or injury incurred at work	0
Number of RIDDOR reportable accidents and ill health.	0	0	3	Minor RIDDOR incidents where injured parties have been sent to hospital for treatment (ie. sutures)	Less than 5
Number of contractor accidents on site.	1	0	0	No reported incidents	0
Number of safety related insurance claims.	0	0	0	No claims recorded	0
Number of employees absent due to work related stress during year.	7	Less than 10	8		Less than 10
Number of employees absent due to work related musculoskeletal disorders.	0	0	0		0

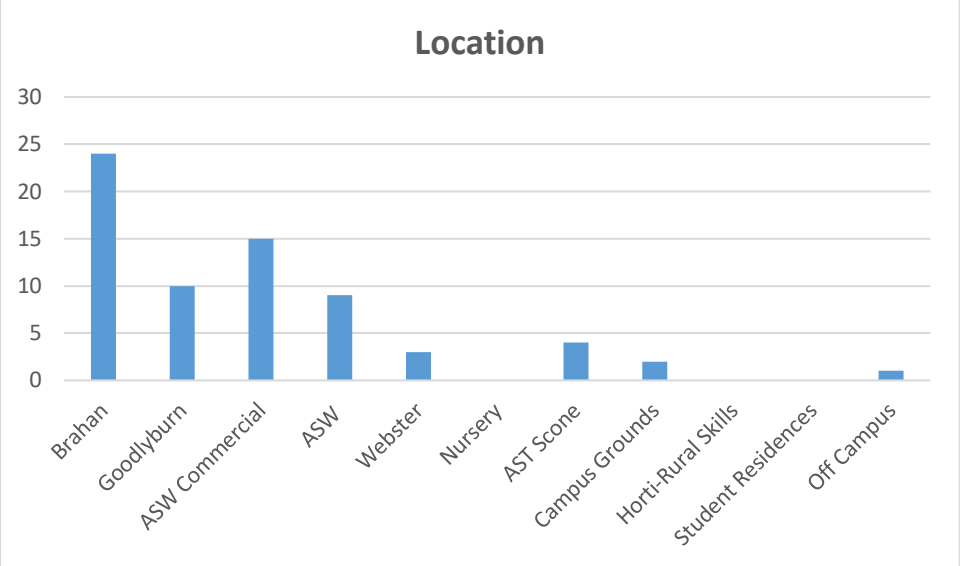
Annual Statistics 2023-2024



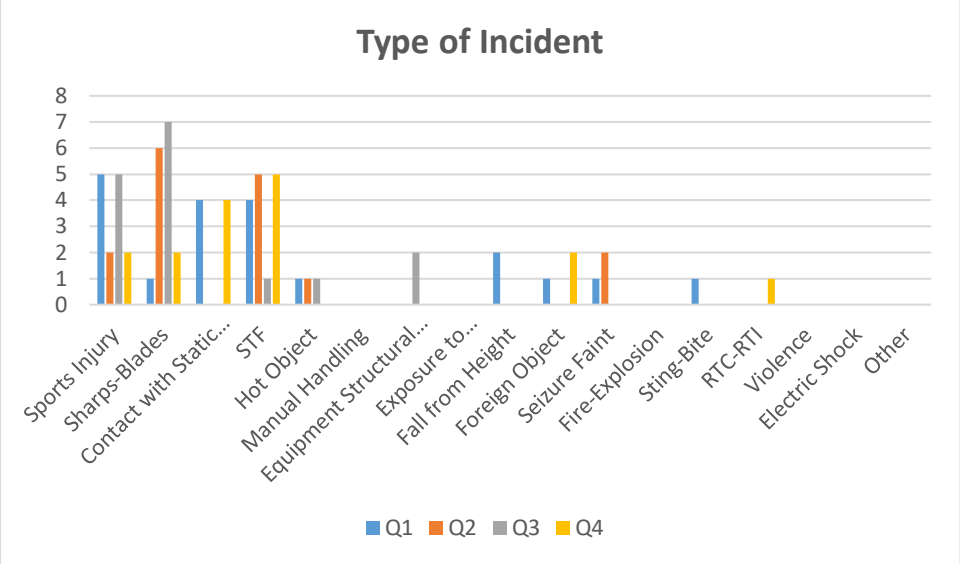


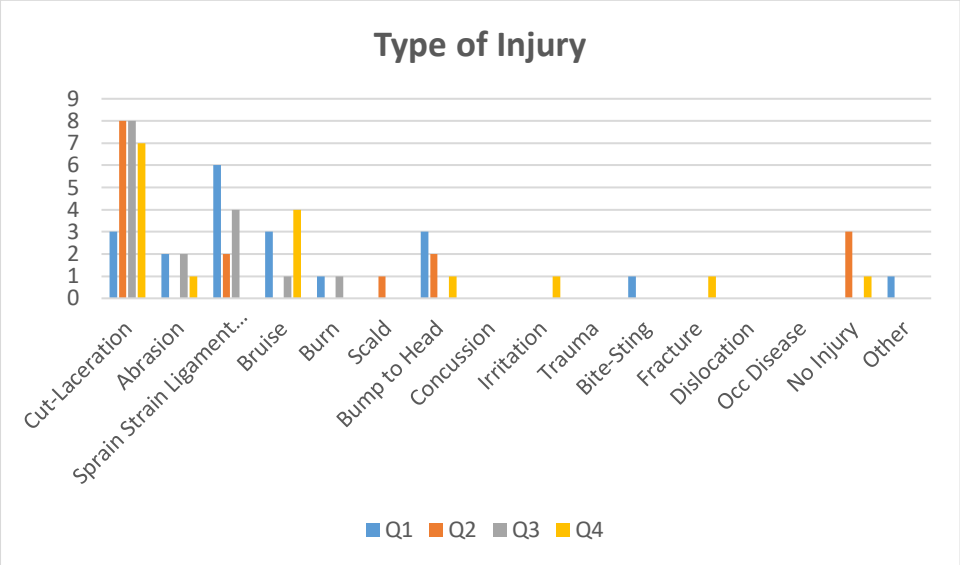






2023-2024 Quarterly Statistics

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7
6
5
4
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2
1
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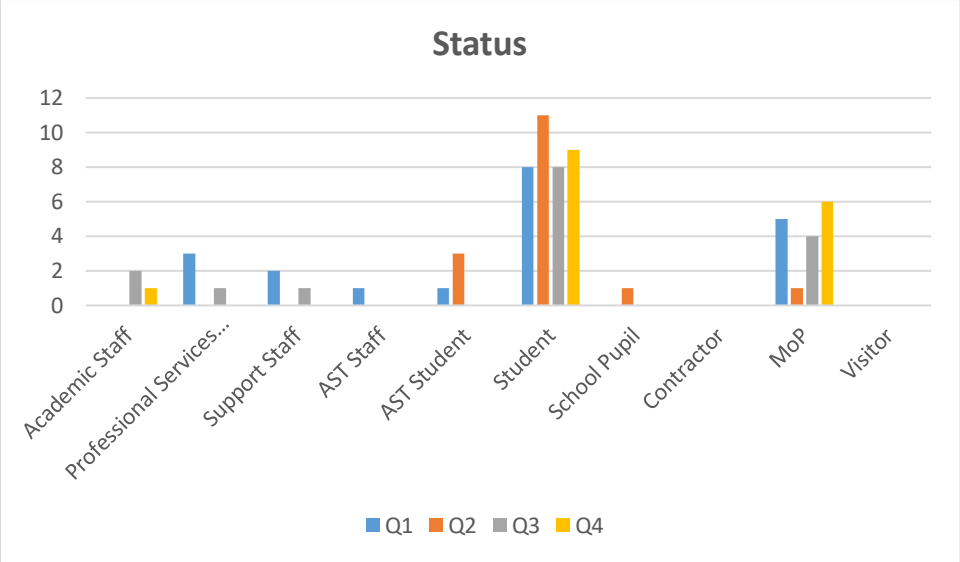
Cut-Laceration
Abrasion
Sprain Strain Ligament...
Bruise
Burn
Scald
Bump to Head
Concussion
Irritation
Trauma
Bite-Sting
Fracture
Dislocation
Occ Disease
No Injury
Other
Q1
Q2
Q3
Q4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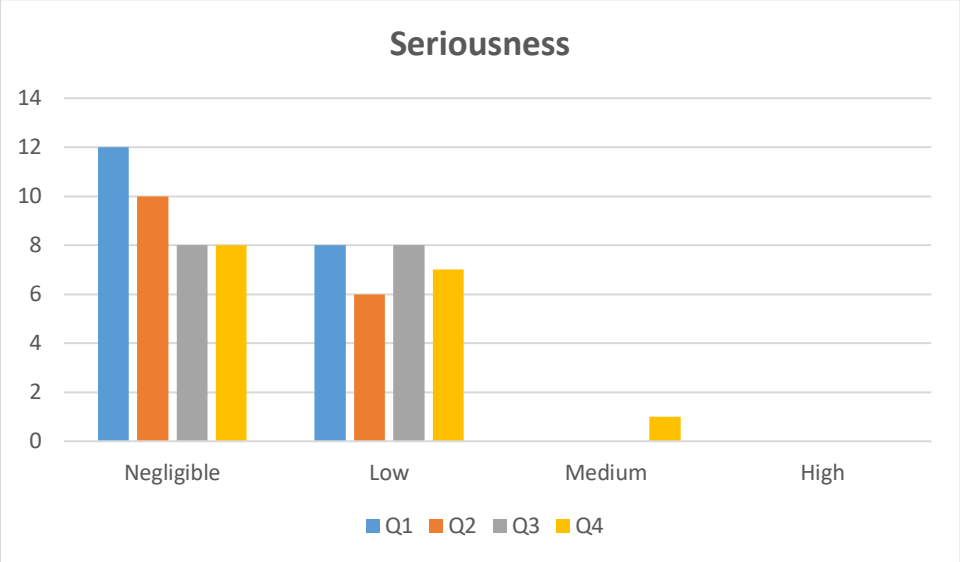
School Pupil
Contractor
MoP
Visitor
Q1
Q2
Q3
Q4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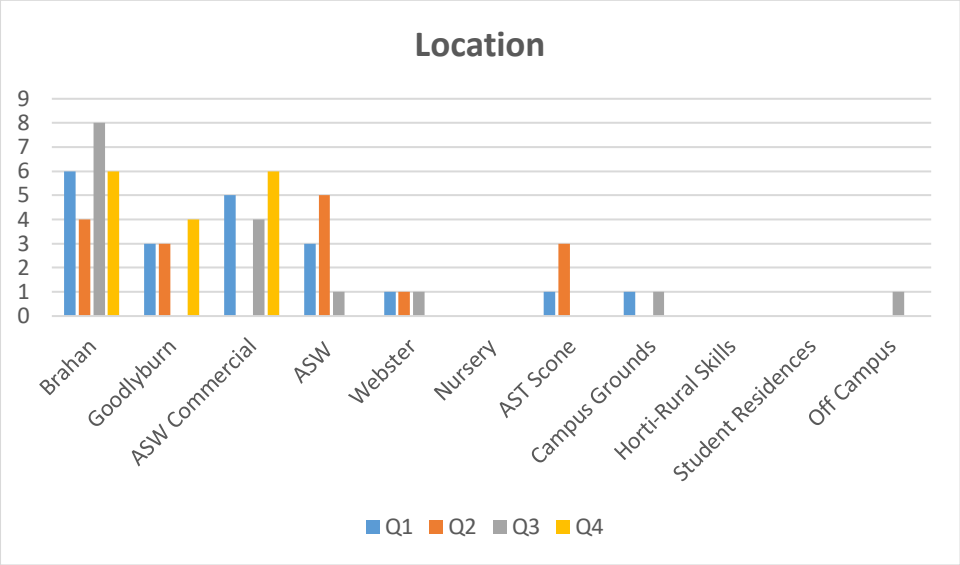
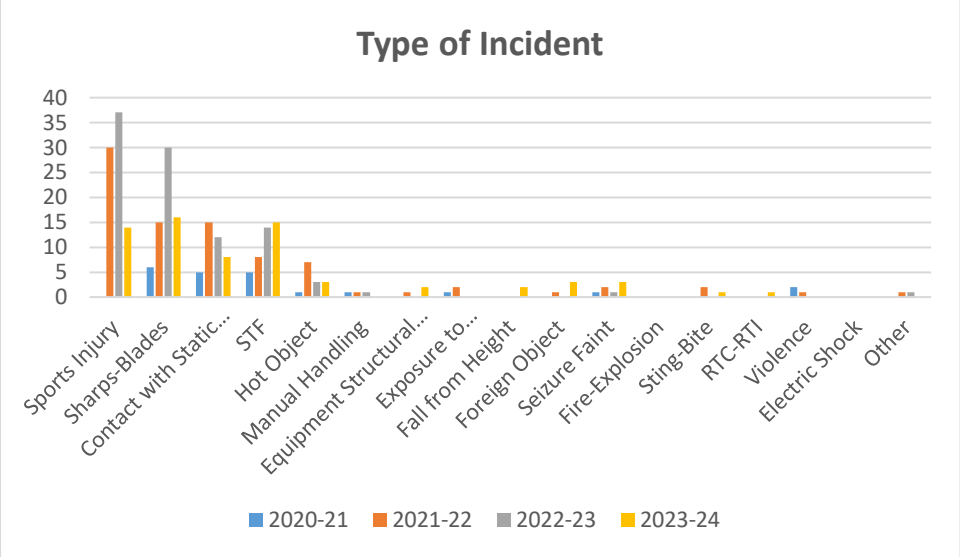
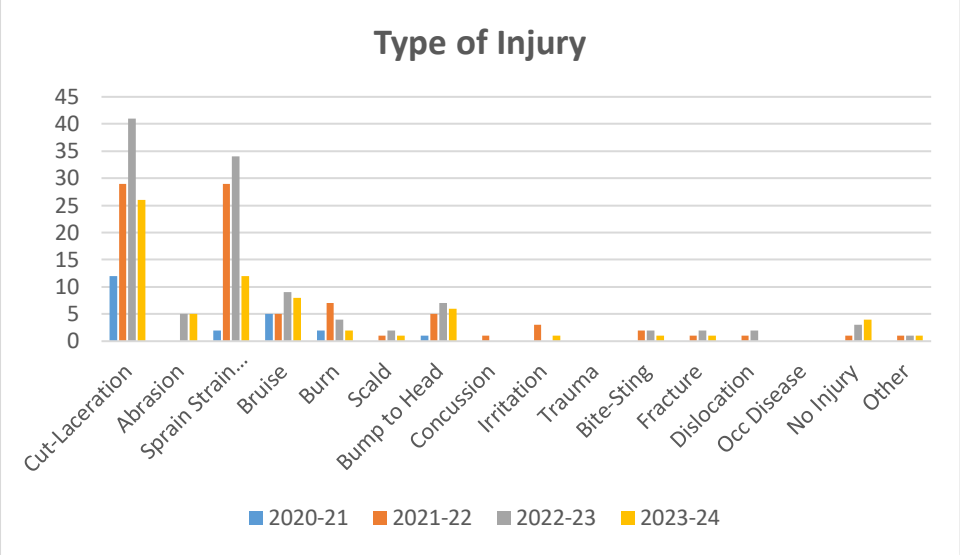
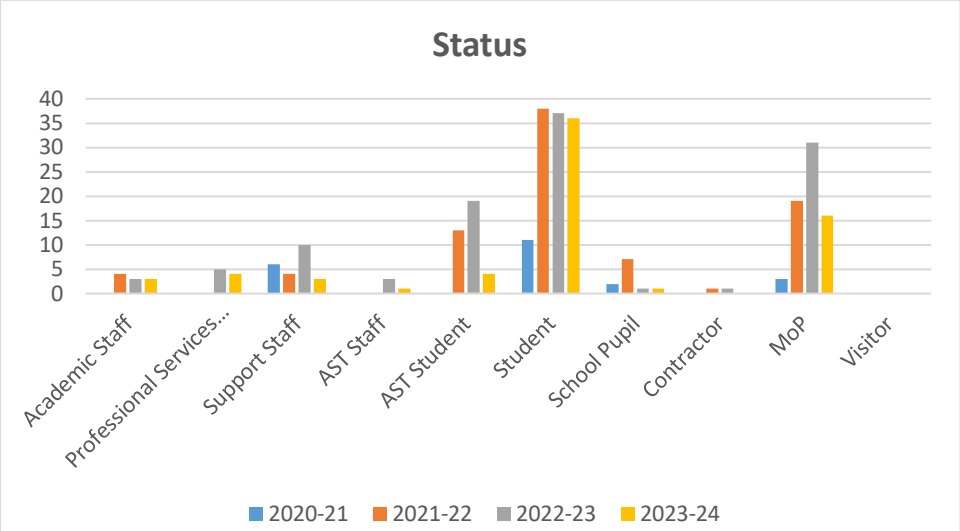
Q2
Q3
Q4



Statistics 2020-2024



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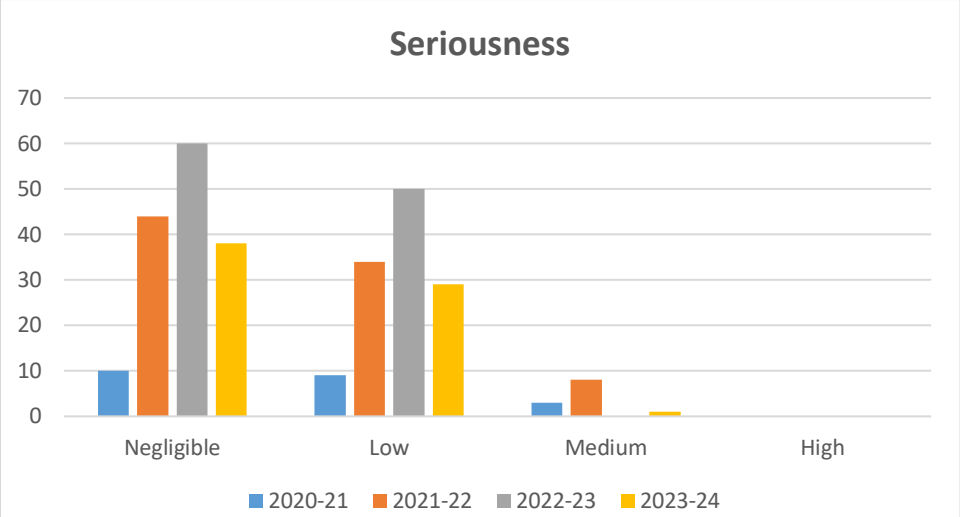
Contractor
MoP
Visitor
2020-21
2021-22
2022-23
2023-24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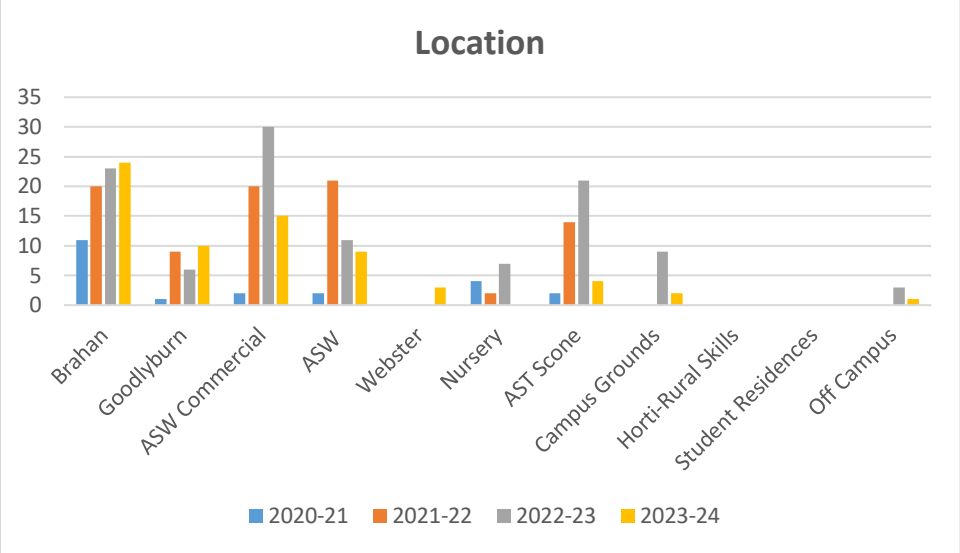
2021-22
2022-23
2023-24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15
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0
Brahan
Goodlyburn
ASW Commercial
ASW
Webster
Nursery
AST Scone
Campus Grounds
Horti-Rural Skills
Student Residences
Off Campus
2020-21
2021-22
2022-23
2023-24

Appendix 3

Sickness Absence Statistics

	2018/19 (full year)		2019/20 (full year)		2020/21 (full year)		2021/22 (full year)		2022/23 (full year)		2023/24 (full year)	
	Total Sick Days	**Average Sick Days per Head**	**Total Sick Days**	**Average Sick Days per Head**	**Total Sick Days**	**Average Sick Days per Head**	**Total Sick Days**	**Average Sick Days per Head**	**Total Sick Days**	**Average Sick Days per Head**	**Total Sick Days**	**Average Sick Days per Head**
Management	15	0.6	35	1.95	0	0	105	5.8	23	1.31	36.5	1.9
Support/Professional Services	1908	5.9	3161.5	12.65	1557	6.7	1987	8.49	1284	7.73	1619.5	7.0
Academic	1011	4.5	852	3.46	706	2.8	1128	4.32	886	4.79	1306.5	5.7
Total	**2934**	**5.19**	**4048.5**	**7.88**	**2263**	**4.5**	**3219**	**6.03**	**2193**	**5.95**	**2962.5**	**6.2**

UHI | PERTH

Health and Safety Policy Statement

The Board of Management of Perth College, also known as and hereinafter referred to as “UHI Perth”, attaches the greatest importance to safeguarding the health, safety and welfare of all employees, students, visitors and others who use or visit the premises, and regards the promotion of health and safety measures as a mutual objective for management and employees at all levels.

It is the commitment of UHI Perth, to act within the requirements of the Health and Safety at Work etc, Act 1974, and subsequent legislation, and to ensure that the health, safety and welfare of all employees, students, visitors and others who may be affected by our undertakings is safeguarded, so far as is reasonably practicable.

To meet these criteria, UHI Perth will:

- regard legal compliance as the lowest acceptable standard of management regarding health, safety and welfare.
- assess work activities by identification of hazards and evaluation of risks.
- minimise risk to health through the provision and maintenance of suitable plant, buildings, facilities, equipment, and the provision of safe systems of work.
- minimise unavoidable risks using physical control measures and issue of personal protective equipment. provide safe arrangements for the use, handling, storage and transport of articles and substances.
- provide necessary information, instruction, training and supervision to ensure the health and safety of employees and others.
- consult with employees' representatives on health and safety matters.
- provide a comprehensive and effective Occupational Health Service, including health surveillance where appropriate.
- implement a monitoring, inspection and audit process to ensure effective management of health and safety.
- co-ordinate, co-operate and exchange relevant information with organisations providing support and facilities to employees and students.
- co-ordinate, co-operate and exchange relevant information with contractors and visitors.
- integrate health and safety responsibilities into everyday working practices and managerial responsibilities.

UHI Perth requires that all employees, students, contractors and visitors co-operate in regarding safe working as a prime objective, by working within established safe procedures.

The Organisation for implementation of these objectives is set out in the Health and Safety Policy. Arrangements for implementation are contained in separate documents and are to be read alongside associated Health and Safety related Policies and Procedures which are reviewed and updated as directed or as required, to ensure best practice methods for managing Health and Safety are achieved.

Signature: Date:

Dr Margaret Cook, Principal and Chief Executive

Signature: Date:

Graham Watson, Chair of the Board of Management

UHI Perth is a registered Scottish charity, number SC021209.

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Committee Cover Sheet

Paper No. 10

Name of Committee	Board of Management
Subject	UHI Perth Board External Effectiveness Review 2024 – Final Report
Date of Committee meeting	23/10/2024
Author	Candy Munro, CDN
Date paper prepared	16/10/2024
Executive Summary Please provide a concise summary of the Paper outlining the purpose, impact and recommended future actions if approved	Paper presented is the Final Report of the recent UHI Perth Board External Effectiveness Review 2024. Board is required under the Code of Good Governance for Scotland's Colleges to undertake an External Effectiveness Review every 3-5 years. Previous Review for Board of UHI Perth was tabled for approval at Board meeting of June 2020. Review includes recommendations for further improvements for the Board.
Committee Consultation Please note which Committees this paper has previously been tabled at, and a brief summary of the outcomes/actions arising from this.	Presented to Chairs Committee for comment.
Action requested	☐ For information ☐ For discussion ☐ For endorsement ☒ For approval ☐ Recommended with guidance (please provide further information, below)

UHI | PERTH

Committee Cover Sheet

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

UHI | PERTH

Committee Cover Sheet

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

Freedom of Information

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

Please select a justification from the list, below:

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

Further guidance on application of the exclusions from Freedom of Information legislation is available via:

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

and

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

UHI Perth

Externally Facilitated Effectiveness Review

October 2024

FINAL REPORT

Candy Munro
CDN Associate
candy.munro@btinternet.com
W: www.cdn.ac.uk

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3 EFFECTIVENESS REVIEW AGAINST THE CODE FOR GOOD GOVERNANCE IN SCOTLAND'S COLLEGES 5

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1 INTRODUCTION

The Code of Good Governance for Scotland's Colleges (the Code) sets out the principles of good governance for colleges in Scotland. This review is against the 2022 Edition of the Code.

All colleges that receive funding from the Scottish Funding Council or a regional strategic body must comply with the Code as a condition of grant. Each board must state its adoption of the Code in its corporate governance statement contained within its annual financial statement.

The five principles set out in the Code provide a framework within which colleges are expected to develop their own policies and procedures.

The Code states that the college board must have in place a robust self-evaluation process. Para D. 24 states

> *'The Board must keep its effectiveness under annual review and have in place a robust self-evaluation process. There should also be an externally facilitated evaluation of its effectiveness at least every three to five years.'*

'The Guide for Board Members in the College Sector' and the 'Board Development Framework' provide additional guidance for college board members and college Governance Professionals.

Methodology

This external effectiveness review included several stages aimed at building up an overview of the board's effectiveness. The components of the review process were:

- Initial meeting with the Governance Professional to agree the scope of the review and the overall project plan
- Phase 1 interviews with the
    - Chair
    - Vice Chair and Chair of Audit
    - Principal
    - Chair, Strategic Development Committee
    - Student Member
    - Staff Member
    - Independent Member
    - Governance Professional
- Observation of the 6th of June Board meeting
- Desk review of core governance documentation, including board agendas and papers, audit reports and committee terms of reference
- Board survey to seek Members' views of governing processes
- Phase 2 interviews with the remaining board members to review conclusions and recommendations. These replaced the board workshop which would normally be held to consider the outcome of the effectiveness review. Given it was the summer holiday period it was not feasible to hold a board workshop during that time.

2 EXECUTIVE SUMMARY

This is a committed and strategic board which benefits from strong leadership from a skilled and experienced Chair.

It is clear that the quality of the student experience is at the core of board discussions and decision making.

The UHI Perth Strategy 2022-27 sets out the College Vision and Strategic Objectives which are underpinned by strategic KPIs. There is a robust performance management framework in place and a clear line of sight between the strategic objectives and the KPIs which are monitored by the board and the sub committees.

The board and the committees are supported by a skilled and experienced Principal and executive team and a highly competent Governance Professional.

Board members have an excellent range of skills and experience. There has been some turnover with the loss of long-standing experienced members and the appointment of new members. Consideration needs to be giver to building the new board 'team,' and creating opportunities for members to build effective working relationships

The Governance Professional maintains a 'Code of Good Governance Checklist' which provides evidence and assurance of compliance with the Code.

The conclusion of the phase 2 interviews was that, without exception, the members interviewed agreed with the findings of the review and the recommendations.

It should be noted that this review was undertaken during a period of significant change and challenges including

- Work progressing on the UHI Target Operating Model
- The significant challenges facing the college sector in relation to national pay bargaining and ongoing industrial action
- Restructuring of the senior leadership team
- Financial challenges facing the sector and the college

Board Statement on External Effectiveness Review

The Board of Management of UHI Perth takes its governance responsibilities very seriously, and is always keen to absorb methods to continually improve its outlooks, practices and cultures.

Additionally, UHI Perth's key stakeholders should be assured that strategic decision-making is taken in line with the principles of good governance expected by our learners, our communities and our funders.

The Board is therefore delighted to receive the latest External Effectiveness Review from the College Development Network, and commits to implementing the recommendations provided within the Review fully, timeously and without reservation.

3 EFFECTIVENESS REVIEW AGAINST THE CODE FOR GOOD GOVERNANCE IN SCOTLAND'S COLLEGES

3.1 Leadership and Strategy

This is an effective and committed board which provides strategic leadership for the college. The board is led by a skilled and experienced Chair who has established a learner focussed culture based on respect, openness, and collective responsibility.

The board demonstrates collaboration and teamwork, and the Chair encourages open discussion and contribution from all members.

Board members were fully engaged with the strategic planning process, determining the vision, strategic direction, and values for the college.

The UHI Perth Strategy 2022-2027 states

> *'Our new strategy was developed through extensive consultation with our staff, our learners and all other key stakeholders and it reinforces our commitment to continuously enhance the learner experience.'*

The UHI Perth Strategy 2022-2027 sets out the College's strategic objectives, each of which is underpinned by a set of Key Performance Indicators. The board receives a Balanced Scorecard which reports progress against each of the strategic KPIs.

The Strategic Development Committee has responsibility for actively engaging in the development, review, and monitoring of the College's Strategic Plan.

The board is kept informed on the work progressing on the UHI Target Operating Model, and the Chair and the Principal provide ongoing progress reports to the board. The Chair of the UHI Court attends UHI Perth board meetings as an observer, providing opportunity for challenge and debate.

The board has regard to economic and social wellbeing of the area, and the Principal and senior staff are well connected to local planning structures.

3.2 Quality of the Student Experience

The quality of the student experience is clearly at the core of committee and board discussions and decision making.

The 'Your Students' Association Report' is taken early in the board agenda, and members have keen interest in the report.

The Chair and the student members have regular dialogue.

The Learner Engagement Committee has oversight of and provides assurance on the quality and inclusivity of the student experience. Both student members were members of this committee during 2023/24.

The board received a positive report from the Education Scotland Annual Engagement Visit at the June board meeting. The report highlighted high levels of student satisfaction and positive outcomes across a number of areas at being above sector averages.

3.3 Board Accountability

Board decision making is transparent and rigorous, and decisions are made in the spirit of collective responsibility. The Chair effectively summarises board discussion and agreed actions.

Board agendas are well structured, and papers are high quality and support strategic decision making, although the volume of papers should be kept under review. 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.

All committees have Terms of Reference in place. There is effective communication and an appropriate level of trust between board and committees who deal with the substantive issues and scrutinise on behalf of the board. The committee chairs provide a written report to the board highlighting key issues for board attention.

There is a review of each meeting at the end to reflect and check that the meeting has been conducted in line with the terms of reference.

The Governance Manuals for Perth UHI are published on the college website and have recently been updated to reflect Trade Union members joining the board.

The Governance Professional maintains a ***Code of Good Governance Checklist*** which indicates compliance in all areas apart from the nationally agreed *Staff Governance Standard*, which is partially compliant.

Risk Management

The board have agreed the risk appetite for the college. Members have expressed confidence in the move to an Enterprise Risk Management Model which is linked to the strategic plan and KPIs and is viewed as a more strategic and robust approach to risk management.

The Annual Internal Audit Report 2022/23 by Henderson Loggie stated

> *'In our opinion, the College has adequate and effective arrangements for risk management, control, and governance. This opinion has been arrived at taking into consideration the work we have undertaken during 2022/23 and in previous years since our initial appointment.'*

The board takes a robust approach to financial sustainability. The Finance and Resources Committee and the board and receive reports on the Financial Sustainability Project which sets out the savings target for the college. Ensuring that the finance team have sufficient capacity to provide the financial reports that board members require has been expressed as a priority at the most recent board meeting.

3.4 Board Effectiveness

Both the Chair and the Principal are highly skilled and experienced, and they have established an effective working relationship based on mutual respect and an understanding of their respective roles and responsibilities.

The Chair effectively leads the board, encouraging open debate and teamworking and fostering an appropriate balance of constructive challenge and support to the Principal and the executive team.

The agenda for each meeting includes a review of the meeting at the end.

There is a mature relationship between the executive team and the board based on a mutual understanding of roles and respect. Board members are confident that they would receive early warning of any issues requiring board attention.

The board is supported by a highly competent and experienced Governance Professional who provides valuable advice and guidance.

The board is going through a period of transition with the loss of long standing, experienced members, and the appointment of three new members in March 2024, and two further non-executive board vacancies currently require to be filled. The board now has a new Vice Chair, a new SIM and three new committee Chairs.

Given the turnover succession planning is important. New committee Chairs are in place but following the next round of appointments a review of committee membership based on the skills mix, would be beneficial.

There is an excellent range of skills and experience on the board and there is a feeling of collaboration and teamwork. However, given this is now a relatively 'young' board in terms of tenure, measures should be considered to build the board 'team.'

The Board and Committee Meeting Schedule for 2024-25 includes four Board Development Evenings, and team building should be a feature of these sessions.

New members would benefit from the board induction training being delivered on a group basis where possible.

Newer members would welcome more opportunities to meet board colleagues in person and build relationships with fellow board members.

Members have expressed a desire more time for deeper discussion, although the committee meetings do provide a platform for more in-depth discussion.

Incoming student members attend the last meeting of the previous year, along with outgoing student members providing a useful handover which is good practice. For a number of reasons student member attendance at board meetings over the last year has not been consistent. This has been noted and looking forward to the next academic session members are keen to encourage full student member engagement.

3.5 Relationships and Collaboration

The UHI Perth Strategic Plan 2022-27 was developed through extensive collaboration with staff, students, and other key stakeholders. 'Partnership and Collaboration' features in the college vision, with a strategic objective focussed on 'Relationships.'

As reported above the board are fully engaged with UHI Target Operating Model. The Chair and the Principal provide regular updates and the Chair of the UHI Court attends UHI Perth board meetings as an observer providing an opportunity for discussion and debate.

4 RECOMMENDATIONS

1	**Building the Board Team** This is a 'young' Board with a high proportion of relatively new members, and a further two new non-executive members to be recruited. Building the new Board 'team' requires careful planning and consideration should be given to • building the confidence of newer members, encouraging them to have a voice and use their skills and experience to provide constructive challenge and support • enabling newer members to develop their understanding of the sector and the current challenges • creating space for members to get to know each other and build effective working relationships • consider board induction training being delivered on a group basis
2	**Succession Planning** • Review committee membership following the next board appointments
3	**Board Papers** • Keep the volume of papers under review • 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.

5 ANNEX 1

5.1 Document Review

1. UHI Perth Governance Manual
2. Committee Terms of Reference
3. Board Agenda and Papers December 2023 and June 2024
4. Internal Audit Reports
5. Board member tenure, committee membership
6. Board EER Action Plan - Reviewed June 2021
7. Code of Good Governance Checklist (September 2023)
8. Risk Appetite Statement
9. Risk Report November 2023
10. UHI Perth 2022-27 Strategic Plan

Footnote

The reviewer would like to thank the Board Chair, Principal, members, and the Governance Professional for their assistance and insight with this external effectiveness review.

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Committee Cover Sheet

Paper No. 11

Name of Committee	Board of Management
Subject	Review of Scheme of Delegation & Committee Terms of Reference
Date of Committee meeting	23/10/2024
Author	Ian McCartney, Clerk to the Board of Management
Date paper prepared	16/10/2024
Executive Summary Please provide a concise summary of the Paper outlining the purpose, impact and recommended future actions if approved	The Board is required to review its Scheme of Delegation every 3 years, and the Scheme is therefore presented for review. There are no changes proposed to the substantive element of the Scheme of Delegation. As the Scheme of Delegation effectively permits the Board to delegates function to Board Committees, the Terms of Reference for each Board Committee have been updated to reflect recent legislative and role changes.
Committee Consultation Please note which Committees this paper has previously been tabled at, and a brief summary of the outcomes/actions arising from this.	n/a
Action requested	☐ For information ☐ For discussion ☐ For endorsement ☒ For approval ☐ Recommended with guidance (please provide further information, below)

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Committee Cover Sheet

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

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Committee Cover Sheet

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

Freedom of Information

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

Please select a justification from the list, below:

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

Further guidance on application of the exclusions from Freedom of Information legislation is available via:

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

and

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

Perth College UHI Board of Management

Governance Manual

Section 3 - Scheme of Delegation

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Reviewed October 2024

1. INTRODUCTION

This scheme of delegation specifies the functions which are delegated by the Board of Management (the "Board") in terms of Section 12(4) of the Further and Higher Education (Scotland) Act 1992 ("the Act").

In accordance with paragraph C.8 of the Code of Good Governance for Scotland's Colleges (the Code) delegations of responsibilities from, and matters reserved to, the Board and its Committees is clarified through this Scheme of Delegation including the functions delegated by the Board to the Chair, Committees, the Principal and Clerk to the Board of Management. The Scheme of Delegation must be approved by the Board of Management.

All delegations must be exercised in accordance with regard to any lawful direction and/or guidance subsequently issued by the Scottish Funding Council. All delegations should also ensure compliance with any relevant provisions of the Scottish Public Finance Manual and follow procedures consistent with the guidance contained in the Delegated Authority section of the Scottish Public Finance Manual.

Except for delegation of operational functions by the Principal and Chief Executive as specified in Section 8, a delegate may not further delegate without formal authorisation.

2. COMPLIANCE

The Board may from time to time amend, replace and / or supplement the terms of this Scheme of Delegation. Nothing in this Scheme of Delegation shall require the Board to delegate the performance of any of its functions and the Board may at any time and from time to time carry out any function that has been delegated in accordance with this Scheme of Delegation or withdraw, amend and/or replace any delegation made by the Board pursuant hereto.

3. REVIEW

The Scheme of Delegation shall be revised at least every three years. This shall not preclude a review being conducted before such time, should it be considered necessary by the Board of Management, or to bring the Scheme of Delegation into line with changes in legislation, regulation, or official direction or guidance.

4. AUTHORITY RESERVED TO THE BOARD OF MANAGEMENT

Whilst initial discussion or consideration may take place by Committees or individuals, the Board reserves its authority with regard to the undernoted matters:

4.1 determination of the mission, vision and key objectives of the Board of Management and the College;

4.2 final approval of the College's Strategic Plan in the context of the Regional Strategic Plan set by the Regional Strategic Board and the Regional Outcome Agreement;

4.3 final approval of the annual College budgets for revenue and capital expenditure, and financial forecasts;

4.4 approval of the Annual Report & Financial Statements, and the Annual Audit Report;

4.5 approval of the Strategic Risk Register;

4.6 approval of the Annual Health & Safety Report;

4.7 acquisition and disposal of heritable property, subject to the approval of the Scottish Funding Council within the terms of the Scottish Public Finance Manual;

4.8 in accordance with the Ministerial Guidance on College Sector Board Appointments, the appointment of assigned College Board members is the responsibility of the Regional Strategic Body, although recommendations may be made by the assigned College Board either directly, or via a delegated Nominations/Appointments Committee;

4.9 the appointment of Board Members to Board Committees, the appointment of Board Committee Chairs, and the co-option of additional members to Board Committees;

4.10 recommending to the Regional Strategic Body the removal of Board members from office prior to the termination of their period of appointment;

4.11 appointment and removal of the Principal & Chief Executive;

4.12 appointment and removal of the Clerk to the Board of Management;

4.13 approval of the Students' Association constitution and the regulations governing the election of HISA Perth student office bearers;

4.14 recognition of Trades Unions, Professional Associations and other Staff Associations within the College for the purposes of both formal consultation and negotiation;

4.15 the establishment and winding-up of any subsidiary company of the College, and the College's membership of any company;

4.16 the establishment of any Arm's Length Foundation to support the charitable aims of the College and the donation of resource to any such organisation;

4.17 financial expenditure in excess of the delegated limits as set out in the College's Financial Regulations

4.18 delegation of functions of the Board of Management including remits of Board Committees; the making, amending and revocation of Standing Orders of the Board; and this Scheme of Delegation.

5. DELEGATION TO THE CHAIR OF THE BOARD OF MANAGEMENT

The Chair must abide by the terms and conditions of their appointment in leading the Board and ensuring its effectiveness, and in exercising delegated authority. The Chair of the Board of Management is authorised:

5.1 to take such measures as may be required in emergencies, after consultation with the chair of the relevant Committee and with the Principal, subject to reporting to the appropriate Committee or to the board as soon as possible thereafter on any items for which approval of the Committee or the Board would normally be necessary;

5.2 to exercise judgement in the event of a need for an urgent decision during the period between Board meetings such that: either an emergency Board meeting is called in the case of material decisions; or to make the required decision, subject to homologation at the next Board meeting

5.3 to authorise expense claims on behalf of the Principal where such claims arise out of expenditure incurred in the performance of the Principal's normal duties, ensuring in doing so that such authorisations comply with the current Financial Regulations or any other policies adopted by the Board from time to time;

5.4 to sign the College's Annual Accounts and Financial Statements prior to its submission to the SFC and after it has been approved by the Board;

5.5 to undertake an annual review of the performance of the Principal including the setting of key performance targets or indictors as required;

5.6 to undertake an annual review of the performance of the Clerk to the Board including the setting of performance targets or indictors as required;

5.7 to ensure each Board member participates in an annual development review process;

5.8 to consider the role of the Board in circumstances where the performance of the Principal falls short of expectations but subject to professional advice being sought;

5.9 to represent the Board as and when required.

6. DELEGATION TO COMMITTEES OF THE BOARD OF MANAGEMENT

In accordance with paragraph 13 of schedule 2 of the 1992 Act, the Board may establish Committees for any purpose and any such Committee may appoint sub-committees.

In accordance with paragraph C.8 of the Code, the minimum Committees required are Audit Committee, Remuneration Committee, Finance Committee and Nominations/Appointments Committee.

6.1 Each Committee of the Board is delegated all functions relative to:

(a) the respective terms of reference of those Committees as detailed in the respective Terms of Reference as agreed and amended from time to time by the Board;

(b) any Minutes of the Board making a special delegation to a Committee;

(c) the review of matters of policy related to the work of that Committee.

6.2 Each Committee may exercise and perform on behalf of and in the name of the Board all of the authority, powers and duties of the Board in relation to the functions so delegated.

6.3 The Chair of each Committee is authorised to act on behalf of the Board between cycles so far as such acts relate to matters within the remit of the Committee of which he or she is Chair.

6.4 The minutes of each Committee meeting will be submitted to the Board for information at the next appropriate meeting. In addition, the Committee Chair shall give an update to the Board on key issues where requested to do so.

7. DELEGATION TO THE PRINCIPAL

7.1 The Principal & Chief Executive of the College, as Accountable Officer of the College, shall be responsible for the operational management of the College subject to policy and strategic direction by the Board of Management. The Principal may in turn delegate tasks as appropriate to other members of staff while retaining responsibility to the Board of Management for the exercise of these functions.

7.1 The Principal, as Chief Executive of the College, is responsible for the operational management of the College subject to strategic direction of the Board.

7.2 The Principal is authorised and empowered:

(a) subject to the express reservations to the Board, to manage the College and to direct its operations and facilitate the management of the College within the framework determined by the College Strategic and Operational Plans, the approved budget and any other policies determined from time to time by the Board;

(b) to take such measures as may be required in emergencies subject to advising the Chair of the Board, where possible, and subsequently reporting to the appropriate Committee or to the Board as soon as possible thereafter any items for which approval of the Committee or Board would normally be necessary; and

(c) consistent with this Scheme of Delegation, to delegate such powers, responsibilities and authority to such members of staff of the Board as the Principal may from time to time determine.

General

7.3 to consult and negotiate with representatives of recognised Trades Unions and Professional Associations on behalf of the Board;

7.4 to take such measures as may be required in emergencies subject to advising the Chair where possible and homologation at the appropriate Committee or to the Board as soon as possible thereafter on any items for which approval of the Committee or the Board would normally be necessary;

7.5 to provide financial or other assistance to the HISA Perth within the terms of any scheme of establishment or policy of the Board;

7.6 to apply to the appropriate authority for any necessary statutory consents;

7.7 where it is competent and in the interests of the College to do so, to lodge with the appropriate authority, objections to the grant of any permission, licence, warrant etc;

7.8 to accept gifts of money, other property and services on behalf of the College and (in accordance with the College's policy on the receipt of gifts) and determine their application; or set up a trust to hold or administer them for the purpose for which they have been established;

Finance, contracts and procurement

7.9 Subject to reporting the same to the Board as soon as is reasonably practicable, to:

(a) enter into and negotiate contracts and other binding arrangements for the supply of goods and services (whether bought, leased, hired or otherwise acquired) to the College on behalf of the Board all in accordance with the College's Contract Procurement Procedures;

(b) incur individual items of capital expenditure with a maximum amount as detailed in the College's Financial Regulations;

(c) sign, for and on behalf of the Board, European Social Fund and other Public Authority Support Certificates; and

(d) to make arrangements with insurance companies concerning the settlement of claims up to a value as detailed in the College's Financial Regulations;

7.10 to take personal responsibility for ensuring the proper and effective operation of financial, planning and management controls, and for giving effect to the Board's policies for securing the efficient, economical and effective management of all the College's income, assets and expenditure;

7.11 act at all times in compliance with the Financial Memorandum with UHI as the Regional Strategic body, conditions of grant, Scottish Public Finance Manual, and to follow the College's Financial Regulations taking particular account of the delegated financial limits;

7.12 to report to UHI as the Regional Strategic Body, to the Scottish Funding Council should the Board adopt a policy or commission an action which is incompatible with the terms of the Financial Memorandum or the Scottish Public Finance Manual, or which would infringe on the requirements of propriety or regularity, and report to the Board in writing on such matters being considered, and advise the Board that, should it wish to choose to continue with the policy or action, then as accounting officer they must report the Board's intentions to UHI as the Regional Strategic Body and to the Scottish Funding Council in writing;

7.13 to enter into and negotiate contracts and other binding arrangements for the supply of goods and services (whether bought, leased, hired or otherwise acquired) to the College or to authorise another to enter into such contracts up to a value of the relevant Government Procurement Agreement threshold or Board approved budgetary limits and all in accordance with the College's financial regulations;

7.14 to dispose of assets up to the value of the delegated financial limit as set out in the Finance Regulations and in line with the requirements of the Scottish Public Finance Manual;

7.15 to terminate contracts or to authorise the termination of contracts except in cases where the contracts have been specifically approved either by the Board or a Committee;

7.16 to administer any educational endowment which transferred to and vested in the Board in terms of section 19(1) of the Further and Higher Education (Scotland) 1992 Act;

7.17 on receipt of valid claims, to pay to members of the Board or co-opted members of the Board's Committees (whether or not they are also members of the Board) such allowances and expenses as the Board may have determined after taking cognisance of guidance issued by the SFC;

7.18 to vire monies from expenditure heads within agreed budgets taking account of and complying with the College's financial regulations;

7.19 to sign and date the report of the Board of the Annual Accounts in terms of the accounts direction given by the Scottish Ministers under paragraph 18 of Schedule 2 to the Further and Higher Education (Scotland) 1992 Act;

7.20 The College must obtain, through the Regional Strategic Body, SFC's prior written approval before entering into any undertaking to incur any expenditure that falls out with the specific delegated financial limits set out in Appendix A of the Financial Memorandum between the Regional Strategic Body and the College.

Employees and Board Members

7.21 to review the performance of members of the College Senior Management Team against predetermined targets as determined from time to time by the Performance Review and Remuneration Committee; and

7.22 to authorise Protection of Vulnerable Groups Scheme (PVG) checks from Disclosure Scotland on all Board Members appointed by the College.

8. DELEGATION TO THE CLERK TO THE BOARD OF MANAGEMENT

8.1 The Clerk to the Board is authorised to administer, circulate, retain and publish as appropriate the records of all Board and Committee business;

8.2 to maintain the Register of Interests of the members of the Board and members of the senior management team;

8.3 to administer staff elections to the Board, and act as Returning Officer for such elections;

8.4 to act as Standards Officer in accordance with Advice on the Role of a Standards Officer (issued by the Standards Commission for Scotland);

8.5 in accordance with the Code of Good Governance, report any unresolved concerns about the governance of the College to the SFC and/or Regional Strategic Body;

8.6 to undertake appropriate actions to ensure that the Board is sufficiently informed of its obligations as defined in legislation, the Scottish Public Finance Manual, the Code of Good Governance, and the Standing Orders.

8.7 to receive resignations from the Board and to inform the Board and the Regional Strategic body of vacancies and impending vacancies; and

8.8 to act on behalf of the Board, when authorised, as their representative and to enter into correspondence in any matter as directed by the Board.

BOARD OF MANAGEMENT

Membership

All Independent Members appointed by the Regional Strategic Body;
The Principal & Chief Executive of the College;
One person appointed by being elected by the teaching staff of the College;
One person appointed by being elected by the non- teaching staff of the College;
Two persons appointed by being nominated by HISA Perth from among the matriculated students of the College;
Two persons appointed by being nominated by the recognised Trade Unions of the College

In attendance

Depute Principal (Academic)
Depute Principal (Operations)
Other appropriate staff members of the College by invitation

Quorum

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

Frequency of Meetings

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

Terms of Reference

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

1. Take note of the overall environment in which the college operates, and provide considered and appropriate strategic guidance to safeguard and enhance the continued operation of the college.

2. Ensure that the College provides the best possible education and learning environment for its students;

3. Ensure that the values and ethos of the College are upheld and promoted;

4. Ensure that its decision-making process is transparent, properly informed, rigorous and timely, and in the best interests of the College as a whole, including taking into account UHI partnership needs;

5. Ensure that the College operates ethically, responsibly and with respect for the environment and for society at large;

6. Ensure that robust risk management and internal control systems are in place, maintained and enhanced;

7. Ensure compliance with all statutes, ordinances and provisions regulating the College and its framework of governance.

Reviewed October 2024

AUDIT COMMITTEE

Membership

No fewer than 3 Independent Members of the Board of Management.
One place reserved by invitation for a Student Member of the Board, as nominated by HISA Perth.
One place reserved by invitation for a Staff Member of the Board, to be determined by Staff Members of the Board

- Board members not eligible for appointment to Audit Committee are the Chair of the Board, the Principal, the Chair of the Finance & Resources Committee, the Staff Board Member nominated to Finance & Resources Committee, and the Student Board Member nominated by HISA Perth to Finance & Resources Committee.

- No member of the Finance & Resources Committee shall also be a member of the Audit Committee.

- The Chair of the Board, the Principal and the Chair of the Finance & Resources Committee shall be invited to attend meetings.

- The Committee may sit privately without any non-members present for all or part of a meeting if they so decide.

- The College Executive will attend meetings at the invitation of the Committee Chair and provide information for Agenda items

In attendance

Depute Principal (Academic)
Depute Principal (Operations)
Other appropriate staff members of the College by invitation
Representatives of Internal and External Auditors of the College by invitation

Quorum

The Quorum shall be 3 members.

Frequency of Meetings

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

Terms of Reference

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

- There are systems in place to ensure that the College's activities are managed in accordance with legislation and regulations governing the sector.

- A system of governance, internal control and risk management has been established and is being maintained, which provides reasonable assurance of effective and efficient operations and produces reliable financial information.

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

Internal Control

1. Reviewing and advising the Board of Management of the internal and the external auditor's assessment of the effectiveness of the college's financial and other internal control systems, including controls specifically to prevent or detect fraud or other irregularities as well as those for securing economy, efficiency and effectiveness; and

2. Reviewing and advising the Board of Management on its compliance with corporate governance requirements and good practice guidance including a strategic overview of risk management.

3. Strategic oversight of Health and Safety, Freedom of Information and Data Protection on behalf of the Board.

Internal Audit

1. Advising the Board of Management on the selection, appointment or reappointment and remuneration, or removal of the internal audit provider.

2. Advising the Board of Management on the terms of reference for the internal audit service.

3. Reviewing the scope, efficiency and effectiveness of the work of internal audit, considering the adequacy of the resourcing of internal audit and advising the Board of Management on these matters.

4. Advising the Board of Management of the Audit Committee's approval of the basis for and the results of the internal audit needs assessment and the strategic and operational planning processes.

5. Approving the criteria for grading recommendations in assignment reports as proposed by the internal auditors.

6. Reviewing the internal auditor's monitoring of management action on the implementation of agreed recommendations reported in internal audit assignment reports and internal audit annual reports.

7. Considering salient issues arising from internal audit assignment reports, progress reports, annual reports and management's response thereto and informing the Board of Management thereof.

8. Informing the Board of Management of the Audit Committee's approval of the internal auditor’s annual report.

9. Ensuring establishment of appropriate performance measures and indicators to monitor the effectiveness of the internal audit service.

10. Securing and monitoring appropriate liaison and co-ordination between internal and external audit.

11. Ensuring good communication between the Committee and the internal auditors.

12. Responding appropriately to notification of fraud or other improprieties received from the internal auditors or other persons.

13. Reviewing the Risk Management Register.

External Audit

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

1. Considering the college's annual financial statements and the external auditor's report prior to submission to the Board of Management by the Finance Committee. Care should be taken, however, to avoid undertaking work that properly belongs to the Finance and General Purposes Committee. If within its terms of reference, the Committee should consider the external audit opinion, the Statement of Members' Responsibilities and any relevant issue raised in the external auditor's management letter.

2. Reviewing the external auditor's annual Management Letter and monitoring management action on the implementation of the agreed recommendations contained therein.

3. Advising the Board of Management of salient issues arising from the external auditor's management letter and any other external audit reports, and of management's response thereto.

4. Reviewing the statement of corporate governance.

5. Establishing appropriate performance measures and indicators to monitor the effectiveness of the external audit provision.

6. Reviewing the external audit strategy and plan.

7. Holding discussions with external auditors and ensuring their attendance at Audit Committee and Board of Management meetings as required.

8. Considering the objectives and scope of any non-statutory audit work undertaken or to be undertaken, by the external auditor's firm and advising the Board of Management of any potential conflict of interest.

9. Securing appropriate liaison and co-ordination between external and internal audit.

Value for Money

1. Establishing and overseeing a review process for evaluating the effectiveness of the college's arrangements for securing the economical, efficient and effective management of the college's resources and the promotion of best practice and protocols, and reporting to the Board of Management thereon.

2. Advising the Board of Management on potential topics for inclusion in a programme of value for money reviews and providing a view on the party

most appropriate to undertake individual assignments considering the required expertise and experience.

3. Advising the Board of Management of action that it may wish to consider in the light of national value for money studies in the further education sector.

Advice to the Board of Management

1. Reviewing the college's compliance with the Code of Audit Practice and advising the Board of Management on this.

2. Producing an annual report for the Board of Management.

3. Advising the Board of Management of significant, relevant reports from the Scottish Funding Council and National Audit Office and successor bodies and, where appropriate, management's response thereto.

4. Reviewing reported cases of impropriety to establish whether they have been appropriately handled.

Reviewed October 2024

FINANCE AND RESOURCES COMMITTEE

Membership

Chair of the Board of Management
No fewer than 2 other Independent Members of the Board of Management
Principal & Chief Executive
One place reserved by invitation for a Student Member of the Board, as nominated by HISA Perth.
One place reserved by invitation for a Staff Member of the Board, to be determined by Staff Members of the Board

In attendance

Depute Principal (Academic)
Depute Principal (Operations)
Other appropriate staff members of the College by invitation

Quorum

The quorum shall be 4 members of which at least 2 to be Independent Members.

Frequency of Meetings

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

Terms of Reference

1 Consideration of the annual estimate of revenue income and expenditure.

2 Consideration of the annual estimate of capital income and expenditure.

3 Responsibility to ensure that appropriate control systems are in place:

a to administer and control all revenue and capital grants received from the Scottish Government and all other sources.

b to administer and control the payment of all monies due and the collection of all income due.

c to ensure the efficient management of the College Catering Service and Food Court and Halls of Residence.

d to administer and control matters relating to the repair, maintenance and upkeep of land, buildings etc.

4 Liaison with the Audit Committee in reporting to the Board on the state of the College's finances.

5 Consideration and approval of the College's Financial Regulations and Procedures, ensuring their implementation, monitoring and review in relation to all matters financial, including approving organisations in which funds may be invested and setting investment limits.

6 Generally the formulation of advice to the Board on financial matters and the supervision of the financial affairs of the Board.

7 Strategic oversight of procurement, contract management and ICT service level agreement on behalf of the Board.

8 Consideration of tenders received for any works the cost of which are in excess of £50,000.

9 The acquisition and/or disposal of heritable property whether by purchase/sale or lease.

10 Consideration of any proposals to obtain plant equipment furnishings or fittings the cost of which is expected to be more than £50,000.

11 Consideration and assessment of priorities for capital grant for new building work or the major modification of existing buildings. Recommendations to the Board on issues relating to College estates and resources

12 The oversight of the Board's statutory functions and responsibilities as an employer of the staff of the College.

13 Consideration of all matters relating to:

a the establishment and staffing structure of the College;

b the salaries, wages and conditions of service of all staff except the Principal, Executive and Managers as individual contracts with the Board.

14 Responsibilities for early retirement/early severance policy**.**

15 Oversight of the disciplinary and grievance policies and procedures of the College.

16 Consideration of matters relating to staff relations including union recognition and local bargaining agreements.

Reviewed October 2024

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LEARNER EXPERIENCE COMMITTEE

Membership

Principal & Chief Executive (who shall act as Chair)
No fewer than 2 Representatives of the Board of Management (one of whom to act as Vice-Chair of the Committee)
2 Academic Staff Member (the Teaching Staff Member of the Board of Management plus one other nominated teaching staff representative)
2 Student Board Members (to be nominated by HISA Perth)
1 Trade Union Member of the Board of Management
Depute Principal (Academic)
Chair of Scholarship and Research Committee
Director of Student Experience
Director of Learning, Teaching & Quality Enhancement
1 Director of Curriculum, to be nominated by Perth Leadership Group

In attendance

Other appropriate staff members of the College by invitation

Quorum

The quorum shall be 7 including the Chair or Vice Chair, and must include one Independent Member of the Board of Management

Frequency of Meetings

At least 3 times per academic session, and as required.

Terms of Reference

1. To maintain an overview of academic quality assurance and outcomes by reviewing reports from the Quality Assessment Committee and other relevant internal and external sources including feedback and evaluation from student and stakeholder surveys.

2. To consider the implications of reports and updates from other relevant College and UHI Committees and, where appropriate, act to ensure the relevance and currency of the academic offer.

3. To review and approve College's policies and strategies that relate directly to the student experience.

4. To receive regular reports from Management and HISA Perth on progress with student engagement in the operation of the College.

Reviewed October 2024

STRATEGIC DEVELOPMENT COMMITTEE

Membership
No fewer than 3 Independent Members of the Board of Management
Principal & Chief Executive
1 Staff Member of the Board of Management
1 Trade Union Member of the Board of Management
2 Student Members of the Board of Management

In attendance
Depute Principal (Academic)
Depute Principal (Operations)
1 Director of Curriculum, to be nominated by Perth Leadership Group

Quorum
The quorum shall be 4 members, of which a minimum of 2 shall be Independent Members

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

Terms of Reference

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

Reviewed October 2024

CHAIRS' COMMITTEE

Membership

The Chair of the Board of Management
The Chair of each of the Standing Committees of the Board
The Vice Chairs of each of the Standing Committees of the Board
Principal & Chief Executive
The Vice Chair and Senior Independent Member of the Board of Management (if not already members ex officio)

Quorum

The Quorum shall be 3 members.

Frequency of Meetings

The Committee shall meet not less than 4 times per year.

Terms of Reference

The Chairs' Committee shall:

1. exercise the functions of the Board in any cases of urgency of which the Chair of the Board with the Vice Chair or the Chair of a Standing Committee shall be the judge and where it is not practicable to convene a meeting of the full Board. The Chair of the Board shall seek to consult with no less than 2 other members of the Chairs' Committee on any matters requiring Chairs' action.

2. At the specific request of the Board consider matters of special interest which are not within the remit of another Standing Committee.

3. Maintain an overview of the work of the Board and Committees, planning and co-ordinating activity as required to ensure the primary responsibilities and functions of the Board are discharged through the Board of Management and established Standing Committee structure.

4. To consider strategic matters and future issues including horizon scanning external developments in order to advise the Board on future proofing the strategic plan

5. To review annually the membership and terms of reference of the Board's Standing Committees and the overall effectiveness of the Board's Committee Structure and to recommend to the Board any amendments or additions considered appropriate.

Reviewed October 2024

REMUNERATION COMMITTEE

Membership

The Chair of the Board of Management
The Vice Chair of the Board of Management
The Chair of each of the Standing Committees of the Board (excepting Learning Experience Committee)

The Chair of the Board of Management shall not chair the Remuneration Committee.

Quorum

The Quorum shall be 50% of the total current membership of the Committee

Frequency of Meetings

The Committee shall meet no less than once per year.

Terms of Reference

To consider and make recommendations to the Chair's Committee on the remuneration package of the College Principal and such other senior staff whose remuneration and other terms and conditions are individually agreed with the Board, taking into account:

1. that College senior management should be fairly rewarded for their individual performance and contribution to the college's overall performance.

2. where, in terms of senior management remuneration, the College stands in relation to other comparably sized institutions in the sector;

3. the Scottish Government’s guidance for remuneration in the public sector;

4. the relationship between the remuneration of the senior management and that of other employees of the college and the Scottish Government’s public sector pay guidance;

5. the benefits granted to senior management;

6. the adequacy of pension arrangements and also the cost implication of pension arrangements, including the pension effect of remuneration proposals.

Authority

The Remuneration Committee is accountable to the Board of Management and is authorised on its behalf to:

1. Set and agree key objectives for the Principal annually. These objectives will take into account the priorities of the Strategic Plan and any important emerging priorities. Objective setting will be carried out by the Chair on behalf of the Committee, and should seek the views of students and staff in setting the performance measures;

2. Conduct an Annual Review and Appraisal no later than 30 September and base the appraisal on the progress achieved against targets and the agreed key objectives identified in the Strategic Plan. This will be carried out by the Chair on behalf of the Committee and the outcome will be reported to the Remuneration Committee;

3. Satisfy itself that the Principal's remuneration is fair and consider any grounds for review. This may involve evidence gathered and submitted by staff and students, or other evidence such as benchmarks of remuneration packages at other colleges;

4. Consider whether any remuneration received by the Principal from third party sources which relate either directly or indirectly to any College activities and which must be declared to the Remuneration Committee, has any bearing on the level of the Principal's salary.

5. Keep under review specific details of the contract of employment between the Board of Management of Perth College and the Principal;

6. The Principal should attend the Remuneration Committee for the consideration of salaries that are based on the Principal's recommendation;

7. Consider and approve any responsibility payments or nonconsolidated payments recommended by the Principal for senior management;

8. Consider and agree severance arrangements in respect of senior management post holders and ensure such arrangements are in accordance with SFC Guidance;

Reviewed October 2024

BOARD OF DIRECTORS FOR AIR SERVICE TRAINING (ENGINEERING) LTD

Membership
3 Directors from Perth College Board of Management (one of whom shall be appointed Chair by the Chair of the Board of Management of Perth College UHI);
Principal and Chief Executive of Perth College UHI;
General Manager of Air Service Training (Engineering) Limited;
Up to 2 external non-executive Directors.

There shall be a nominated Vice-Chair of the Board. All non-Executive members of the Board shall be eligible to undertake this role; in the event of no such Director being available, this role shall be undertaken by Principal & Chief Executive of Perth College UHI.

Quorum
The quorum shall be three members, at least two of whom to be members of the Board of Management.

In Attendance
Depute Principal (Operations) of Perth College UHI;
AST SMT members by invitation;
Other appropriate staff members of Perth College UHI by invitation.

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

Terms of Reference

1 To approve, monitor and review strategy in relation to the generation of new business opportunities.

2 To consider and promote proposals for enhancing the efficiency and effectiveness of the company.

3 To consider market opportunities and to make decisions on marketing strategies and plans to address these opportunities.

4 To monitor and review the actual performance against the budget and forecasts in respect of progress towards achieving the business plan.

5 To recommend the annual accounts for approval to the Board of Management of Perth College, through the Finance and General Purposes Committee.

6 To monitor and review the annual budget and three year business plan for Air Service Training (Engineering) Limited and to recommend its approval to the Board of Management of Perth College.

7 To receive and consider reports regarding the award of commercially focused contracts.

8 To consider the physical development of Air Service Training (Engineering) Ltd and make recommendations to the Board of Management of Perth College.

9 To consider all commercial and any other business aspects relating to AST

Reviewed October 2024

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Committee Cover Sheet

Paper No. 12

Name of Committee	Board of Management
Subject	Balanced Scorecard Report
Date of Committee meeting	23/10/2024
Author	Kirsty Campbell, Risk and Project Officer
Date paper prepared	17/10/2024
Executive Summary 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
Committee Consultation Please note which Committees this paper has previously been tabled at, and a brief summary of the outcomes/actions arising from this.	N/A
Action requested	☒ For information ☒ For discussion ☐ For endorsement ☐ For approval ☐ Recommended with guidance (please provide further information, below)
Strategic Impact Please highlight how the paper links to the Strategic Objectives of UHI Perth or the UHI Partnership: Strategic-Plan-2022-27.pdf If there is no direct link to Strategic Objectives, please provide a justification for inclusion of this paper to the nominated Committee.	UHI Perth Strategy 2022-27

UHI | PERTH

Committee Cover Sheet

Resource implications Does this activity/proposal require the use of College resources to implement? If yes, please provide details.	Yes – where resources are required to achieve strategic objectives.
Risk implications Does this activity/proposal come with any associated risk to UHI Perth, or mitigate against existing risk? If yes, please provide details.	Yes – the risk from not achieving strategic objectives. Click or tap here to enter text.
Equality & Diversity Does this activity/proposal require an Equality Impact Assessment? If yes, please provide details.	No
Data Protection Does this activity/proposal require a Data Protection Impact Assessment? If yes, please provide details.	No Click or tap here to enter text.
Island communities Does this activity/proposal have an effect on an island community which is significantly different from its effect on other communities (including other island communities)?	No If yes, please give details: Click or tap here to enter text.
Status (ie confidential or non-confidential)	Non-Confidential If a paper needs to remain confidential for a prescribed period of time before being made 'open', please advise how long must the paper be withheld: Click or tap here to enter text.

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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	☐	Its disclosure would substantially prejudice the effective conduct of public affairs	☐
Its disclosure would substantially prejudice the commercial interests of any person or organisation	☐	Its disclosure would constitute a breach of confidence actionable in court	☐
Its disclosure would constitute a breach of the Data Protection Act	☐	Other [please give further details] Click or tap here to enter text.	☐

Further guidance on application of the exclusions from Freedom of Information legislation is available via:

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

and

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

Balanced Scorecard Progress Report – October 2024

Overview

- The Balanced Scorecard measures progress against the strategic objectives and is associated with the 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.
- From Board Cycle 2 2024/25 the progress against the remaining 23 KPIs will be reported to the Strategic Development Committee.

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.

Keys:

Summary of Performance Status

Key: KPI Trend Status

Improving	↑
Maintaining	↔
Worsening	↓

Key: Target Performance Status

Target Met/Exceeded	
Target Progress Maintained	
Target Not Met	

Notes on Individual KPIs

KPIs 1 and 2 Student Retention and Student Achievement:

- Figures are based on the data for both full and part-time students as published by the SFC.
- The actual data for 2023/24 will become available in February 2025 as part of the annual statistical reporting cycle to SFC and the targets for 2024/25 will be reviewed again once the 2023/24 figures are confirmed.

KPI 3 Student Satisfaction

- Student Satisfaction levels have been consistently high for the past 2 years and on target for FE and close to target for HE. Targets for 2024/25 have been set at the same level as 2023/24 to allow for a period of stability during the implementation of the new organisational structure.

KPI 4 Curriculum Review and Course Redesign:

- There has been a 100% review of the curriculum portfolio for the past 2 years. The focus for review was on the reduction in FE credits by SFC in 2022/23 and the work on the financial sustainability project in 2023/24.
- Course development and review is carried out annually as part of the review of course frameworks, course modification and course validation processes. A tracking system will be implemented to be able to quantify this moving forward and measure the impact of changes.

KPI 5 Value/Leverage by Partnership (Academic)

- The data for this KPI sits with the Finance Team. Due to the pause to specific work on this area during 2023/24 and the competing priorities currently faced by the team it has not been possible to prepare the data for this reporting cycle. The KPI Owner will work with the Finance team to review the data reviewed and bring it forward to the next reporting cycle.

KPI 6 Strategic Values

- The specific work looking at ‘living the values’ that began during the first year of the current strategic plan in 2022/23 was paused for 2023/24 to prioritise the work taking place on the financial sustainability project and will be reset/reviewed for 2024/25.

KPI 7 Leadership

- The data for this KPI will be captured from the next Staff Survey scheduled to take place in March 2025, pending Senior Leadership Team decision.

KPI 8 Services/Processes

- Eight improvements were achieved for 2023/24 across several service areas bringing benefits to staff and students. Work around this KPI will continue as part of the recommendations that came from Workstream 4 Continuous Improvement.

KPI 9 Digital Transformation – Staff

- A draft Digital Competence Framework document for job roles has been developed which will now go forward for to the Perth Leadership Group for review and consultation during 2024/25.

KPI 10 Strategic Partnerships

- This KPI remains on track to achieve the 5-year target during 2024/25.

KPI 11 Commercial AOP

- This KPI is on track to achieve the 1% target over the 5-year period.

KPI 12 Costs v Income

- The timeline for confirming the actual data for 2023/24 is the end of October and the figures will come forward to the next reporting cycle. For reference, where the percentage split for staff and non-staff costs combined is greater than 100% of income this shows that the college was running at a deficit for the academic year.

KPI 13 Environmental Sustainability

- The target gross carbon footprint reduction was met and exceeded for 2022/23. The timeline for confirming the actual data for 2023/24 is November in line with our public sector reporting duties and will come forward to the next reporting cycle. The target for 2024/25 will be reviewed again once the 2023/24 figure is confirmed.

Balanced Scorecard 2022-27								Year One			Year 2		Year 3
								2022-23			2023-24		2024-25
	UHI Perth Strategy 2022-27	Strategic KPI	Data Owner(s)	KPI Owner(s)	SMT Sponsor	2021/22 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	DP Academic	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	DP Academic	66%	78%	66%	72%	↑	tbc - Jan '25	↔	75%
		b) HE by 9%	Director of Student Experience	Director of Curriculum - BSTW	DP Academic	71%	80%	71%	61%	↓	tbc - Jan '25	↔	65%
3	Increase student satisfaction	**Early Student Experience Survey:**											
		a) FE by 2%	Director of Teaching, Learning & Quality Enhancement	Director of Curriculum - BSTW	DP Academic	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 Teaching, Learning & Quality Enhancement	Director of Curriculum - BSTW	DP Academic	92%	98%	92%	96%	↑	96%	↔	96%
		b) HE by 9%				89%	98%	89%	94%	↑	94%	↔	94%
	SO2: Co-Creative and Progressive Curricula												
4	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 Currciculum - AHE	DP Academic	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	DP Academic	30%	31%	30%	tbc (End of Jan)	↔	tbc (End of Jan)	↔	30%
College Growth and Ambition													
	SO1: Our Culture												
6	Staff survey results from 2021 are improved in the following areas (next survey due to take place in 2025):	Monthly initative around one of our values	Director of HROD	Director of HROD	DP Operations	0	12	3	3	↑	No Survey	↔	Under review
	SO2: Our Staff												
7	Staff survey results from 2021 are improved in the following areas (next survey due to take place in 2025):	The leadership team provide clear direction and guidance	Director of HROD	Director of HROD	DP Operations	42%	80%	42%	42%	↔	42%	↔	50%
	SO4: Our Ways of Working												
8	We will enhance and improve our systems and processes, driving high quality outcomes	Number services/processes improved July 2023 - 4 July 2024 - 8 July 2025 - 12	Director of Information Services	Director of Information Services	DP Operations	0	12	4	4	↑	8	↑	12
	SO5: Digital Transformation												
9	Percentage staff with improved Digital Skills	Identify a baseline digital competence framework for each job role	Director of Information Services	Director of Information Services	DP Operations	0	Produce framework document	Produce framework document	In progress	↔	Draft framework produced	↑	Review and consult
Partnerships and Collaboration													
	SO1: Relationships												

10	Percentage strategic partnerships v proportion of external engagements	Increase from 5% by 1% pa	Director of Curriculum - BSTW	Director of Curriculum - BSTW	DP Academic	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	Director of Finance	Director of Curriculum - BSTW	DP Academic	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%	Director of Finance	Director of Finance	DP Operations	80.90%	70%	80%	80.10%	↑	tbc(End of Oct)	↔	77%
		2. Non-Staff Cost/Income 21%				23%	21%	22.8%	26.10%	↑	tbc(End of Sept)	↔	23%
		3. Investment Cost/Income 5%				0	5%	1%	0.00%	↓	0.00%	↔	1%
	SO3: Environmental Sustainability												
13	Percentage gross carbon footprint reduction	Decrease by 2% pa	Director of Estates	Director of Estates	DP Operations	1646 tonnes	1487 tonnes	1613 tonnes	1208 tonnes	↓	tbc (Nov 2024)	↔	1184 tonnes

UHI | PERTH

Board of Management – Standing Committee Summary

Paper No: 13a

Name of Committee: **Chairs**	**Date of Committee:** **27 August 2024**
Key Issues discussed: **Financial Sustainability:** Committee received a comprehensive update on progress around the Financial Sustainability Project and were advised that, while FE numbers looked strong, HE numbers were behind target. Committee discussed potential impacts on students re affected courses and progress around discussions with PKC re Estates Strategy **UHI OBC:** Chair provided a brief summary on the latest position re the OBC – latest draft should be circulated to Board Members this week ahead of the Development Session. **Improving Board Meetings:** Committee discussed whether use of AdminControl as used by UHI should be considered instead of MS Teams. Clerk noted that this had been looked at across the Partnership but there hadn't been universal take-up for a variety of reasons. **UHI Perth External Effectiveness Review 2024:** Committee reviewed draft EER report. Committee agreed that a formal Board response could be included to reinforce the Board's commitment to improvement, to be discussed at the Development Session. **General Board Info:** Committee received update on IBM recruitment, committee allocations and the Board Annual Review 2024.	**Actions agreed:** Clerk to speak to UHI colleagues to ascertain whether this was still a viable option. Clerk to collate & anonymise summaries, and collate into a development document.
Committee Chaired by: Graham Watson	**Date of next meeting:** 05 November 2024

UHI | PERTH

Board of Management – Standing Committee Summary

Paper No: 13b

Name of Committee: AST Board	**Date of Committee:** 04 September 2024
Key Issues discussed: **Sales & Business Development Report:** Board received a presentation from the UK Sales Manager. Key focus included increasing social media presence and use of AST alumni as a marketing tool. **AST Budget 2024-25** Board scrutinised Budget at great length before endorsing. While income targets look challenging, there is confidence that targets are achievable, as detailed in the Risk Profile. Board agreed that AST was a good business, but it is undercapitalised as the single shareholder can't provide financial support due to other factors, therefore there is a need to manage the situation through the next few months.	**Actions agreed:** Financial updates and cashflow positions to be issued to AST Board on a monthly basis Management Fee issue would be raised with UHI Proposed Salary Award to be reconsidered based on other options available.
Committee Chaired by: Graham Watson	**Date of next meeting:** 27 November 2024

UHI | PERTH

Board of Management – Standing Committee Summary

Paper No: 13c

Name of Committee: **Learner Experience**	**Date of Committee:** **11 September 2024**
Key Issues discussed: **HISA Perth Strategic Update:** Update focused on Freshers Week activities with discussion around Lessons Learned, inductions talks and student isolation/belonging. **Student Satisfaction & Experience Survey:** Director of Teaching, Learning and Quality Enhancement provided update and analysis around SSES survey conducted in April 2024. **Student Funding:** Director of Student Experience provided latest information around student funding processing, which was on track. Discussion around emergency support arrangements for students coming off Universal Credit. Director of Student Experience advised that SAAS have increased the level of Student Loan support fund available. **Student Completion & Progression:** Director of Student Experience presented information provided to Staff Conference around completion and progression following publication of most recent SFC data. Concern raised over cuts in Schools & College Partnership numbers.	**Actions agreed:** Student Board Member to liaise with Director of Student Experience around potential local departmental fundraising opportunities, eg RAG-type Society Glossary/acronyms and additional numerical information to be provided in future versions Director of Curriculum to take discussion around SCP forward via appropriate channels.

Student Recruitment: Director of Student Experience provided the latest update regarding student numbers, predicting a shortfall of approx. 230 full-time HE. This prompted a discussion around what levers can be pulled to address this going forward. Director of Student Experience noted that FE numbers were healthier, and targets for funded places were on likely to be met.	
Committee Chaired by: **Lorenz Cairns**	**Date of next meeting:** **20 November 2024**

Board of Management – Standing Committee Summary

Paper No: 13d

Name of Committee: Strategic Development Committee	**Date of Committee:** 17/09/2024
Key Issues discussed: <u>UHI OBC</u> The consensus of the committee was that on a close reading of the document it simply does not provide the coherence and clarity necessary for the committee to support the draft OBC in its current form. Discussions ranged across the following: 1 has the UHI comprehensively understood the issues and potential solutions? For example, does it recognise that it is the HE sector of UHI that is a significant contributor to 'the problem' – the HE sector has never met numbers whereas FE numbers are solid. The range of options set out in the OBC were not necessarily the full range of possible options 2 the theoretical nature of the document gave no indication of how we begin to implement the proposals contained within it 3 the absence of transformative vision for the UHI that was more than simply a sum of its parts (and the underling sense that the document didn't reflect the true nature of the UHI) 4. the drivers for the restructuring of the UHI are difficult to discern but it appears that there are primarily 3: • Financial; • Reputational - (the UHI wants to be able to improve its international standing; • Legacy - addressing what are perceived to be long-standing legacy issues (eliminating the	**Actions agreed:** There was a view we should take the opportunity to influence the discussions on the nature and future of the UHI. We can do this by providing feedback on what is missing from the document. The committee also agreed that for the board development session it might be helpful to have a top level summary of Perth's 'business operations' including for example • the number of students we have per FE&HE and the formal targets • the value of the top slice for HE&FE and • the spend per student as a sector average and per Perth student • what we believe we get from the executive office and what we think these services are worth to Perth both financially and in terms of wider student staff and community benefit

complex leadership and govenance arrangements which it argues creates duplication and arguably slows down UHI receptiveness to emerging opportunities and challenges). Evidence? 5. There is no real recognition within the document that FE is the core of the UHI's provision. The document suggests that UHI is a traditional university and in some senses it is (it has the typical university management structures) but in another sense it is quite unique because 70% of its students are FE students and they are spread over a significant geographical area. 6. In relation to finances the committee had a number of concerns ranging from i. firstly the OBC fails to acknowledge the steps that UHI Perth has undertaken to get its own house in order financially and what this therefore means in terms of options potentially available to Perth ii. it is not at all clear what value UHI Perth gets for its financial contribution to the UHI and what benefits EO provides for our students and our community iii. there is no guarantee of the investment that is likely to be needed to support the reorganisation or closer collaboration or the various options currently contained in the OBC. 7. The timescales set out for implementation of whatever option is ultimately decided upon are quite unrealistic. In summary the SDC was of the view that it is not at all clear at this stage what benefits the various options set out in the OBC would provide for Perth its students and its community. Whatever option is chosen for the closer collaboration within UHI it has to have very clear benefits for Perth students and its community. Finally, the committee was concerned that the Executive Office is setting the agenda for the exercise. It was noted at the committee that the UHI intends to release a press release on the 18th and has asked	

Principals of the various colleges to also issue a release to its staff and has suggested the wording of that release. The UHI press release was not available but the proposed message to staff was discussed. The SDC suggested a revised wording. <u>Strategic Plan – Monitoring & Review</u> Plan for reviewing KPIs not covered within Balance Scorecard endorsed. <u>Review of Terms of Reference</u> Amended ToRs endorsed	
Committee Chaired by: Jenny Hamilton	**Date of next meeting:** 12 November 2024

UHI | PERTH

Board of Management – Standing Committee Summary

Paper No: 13e

Name of Committee: **Finance & Resources**	**Date of Committee:** **16 September 2024**
Key Issues discussed: **Financial Sustainability:** Committee received a verbal update on the Financial Sustainability project, noting that a significant number of staff departures had taken place, however there were still a number of individual targeted consultation exercises that were still to be finalised. Overall, the process remained on track for conclusion by the target timescale. Committee also noted that a number of savings around non-staff costs are being looked at. **Financial Update – Year to 31 July 2024:** Committee noted that the final out-turn for the year was a deficit of £1.7m, which was slightly less than the Mid-Year Forecast had predicted. Work on the 2023/24 accounts is due to start in mid-October and scheduled to be complete by end December. Committee noted that teaching staff back-pay was due to be paid in the October salary run, and were advised that UHI EO were supportive of an additional drawdown to ease cashflow, however the form and conditions still need to be agreed. **Draft Budget 2024/25:** Committee received the Draft Budget which showed a deficit of £1.2m. Committee were advised that budget holders were still reviewing non-staff costs, and a timetable audit was being conducted at the moment to provide additional data,	**Actions agreed:** Following a lengthy debate on the key issues surrounding the Draft Budget, Chair summarised that the key issue was the current cost base is not viable on projected income levels.

however the budget was based on a shortfall of 260 FTE HE students and latest confirmed numbers had reduced this shortfall to 215 FTE which would reduce deficit by approx. £200k. Moreover, the Budget had not been adjusted for additional part-time students and those enrolling in the January intake. **AST Budget & Business Plan:** AST Budget was approved. **Joint Meeting of Finance & Audit Committees re 2022/23 Accounts:** Members of F&R and Audit Committees received Drafts of the Group Financial Statements for Y/E July 2023, and the External Audit Annual Report 2022/23.	Committee requested that SLT come up with a plan to address this by the Board Meeting in October. Subject to some minor amendments, both items were endorsed for consideration by the Board of Management.
Committee Chaired by: **Graham Watson**	**Date of next meeting:** **05 December 2024**

UHI | PERTH

Board of Management – Standing Committee Summary

Paper No: 13f

Name of Committee: **Audit**	**Date of Committee:** **9 October 2024**
Key Issues discussed:	**Actions agreed:**
External Audit: Following the retirement of our previous Deloitte Partner, we were introduced to [Rebbecca McConnachie] who will now be overseeing the audit work for UHI Perth. It was reassuring to hear that she has experience in our sector, and she was honest about timescales. After a review of the external audit plan for 2023/2024, it was queried whether the usual December delivery would be realistic. Taking into account internal factors (Finance Team changes) and the delayed starting point, it was noted that while everyone is working to a December delivery, it will likely be later into the new year.	External Auditor and Vice Principal (Operations) agreed to keep the Committee updated with regarding to the timescales.
Internal Audit: The Internal Auditor summarised the reports and overall positive outcomes of the following audits:- Cybersecurity, ICT & Digital Transformation Strategy and Fraud Prevent, Detection and Response. It was discussed that UHI Perth is lacking in digital/IT areas. The Committee were exhibited with a copy of a UHI EO Audit report on the UHI Perth VS Scheme, which gave UHI Perth a 'clean bill of health'.	Vice Principal (Operations) will continue discussions with Director of Information Services on IT spending priorities.
The internal audit plan for 2024/2025 was discussed. It was suggested that Financial Sustainability could be swapped out for Partnerships, given the volume of work already being undertaken/committed to for Financial Sustainability. The Internal Auditor explained that the different reviews of Financial Sustainability covered different aspects and depths of the area and in the current circumstances/environment,	The inclusion of Partnerships in the next audit plan to be discussed, as there are now 'days' available.

recommended that it remain in the audit plan. **Health & Safety:** The annual H&S report was tabled and discussed, noting that workplace stress was a kay factor throughout the report. The Director of HR & OD noted the steps UHI Perth was taking in response. **ERM:** The Vice Principal (Operations) presented the updated ERM report. Thanks were given by the Committee on the hard work undertaken to progress it since the last update. It was acknowledged that there remain some difficulties in areas with competing priorities and external factors playing a part in the delay. **Code of Good Governance:** The Clerk presented the report and noted that only 3 areas are 'partially' complete, with the rest in the green. The Committee were satisfied that the partial tasks were in hand. The Internal Auditor commended UHI Perth for not only having such a report, but actively reviewing/actioning it. **FOI & Data Protection:** The Clerk presented the usual summary and noted that 2023/2024 saw the highest number of FOI requested submitted in a single year, while SARs and data breaches continue their downwards trends. The UHI DPO recommended UHI Perth undertake a matching exercise against the ICO's accountability framework.	Vice Principal (Operations) to continue with progress and provide further update at next meeting. Clerk to progress and provide update at next meeting.
Committee Chaired by: **Debbie McIlwraith Cameron**	**Date of next meeting:** **11 December 2024**

BOARD OF MANAGEMENT Paper 14

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