

## Board of Management

### Minutes

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

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

**Location:** ASW (Room 961)

**Members present:** Graham Watson, Chair, Board of Management  
Jenny Hamilton, Board Member  
Chris Lusk, Board Member  
Debbie McIlwraith-Cameron, Board Member (from Item 7.3)  
Elaine Piggot, Board Member  
Ian Robotham, Board Member  
Derek Waugh, Board Member  
Alistair Wylie, Board Member  
Margaret Cook, Principal & Chief Executive  
Patrick O'Donnell, Staff Board Member  
Xander McDade, Student Board Member  
Andi Garrity, Student Board Member  
Ronnie Dewar, Trade Union Board Member

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

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

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

UHI Perth is a registered Scottish charity, number SC021209

**We will act with integrity in everything we do**

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

## **Current Action Log**

<b>Initial Meeting date</b>	<b>Topic</b>	<b>Action</b>	<b>Owner</b>
17 October 2023	Development Trust	Board to receive process update re winding up of Development Trust	Principal
23 October 2024	Chair's Report	Board to be provided with update re progress on OBC	Chair
23 October 2024	Principal's Report	Principal to issue comms to internal and external stakeholders re Colleges Scotland submission to Scottish Government re draft budget	Principal
23 October 2024	Draft Budget	Board to receive 3-year Cashflow as soon as possible to enable Board to articulate requirements for funding	Director of Finance
23 October 2024	Draft Budget	Board to discuss levers available and bigger picture around wider problems that may or may not be resolved via OBC	Board
23 October 2024	Draft Budget	Budget to be approved pending additional work per above	Board
23 October 2024	Draft Budget	Communicate key funding issues to UHI and SFC	Chair
23 October 2024	Pension Strain	Board to be provided with actual vs assumed Pension Strain costs (budgeted as a %age)	Director of Finance
23 October 2024	Annual H&S Report	Volunteer info re Board H&S Champion to be circulated	Clerk
23 October 2024	External Effectiveness Review	Development Plan to be compiled and circulated	Clerk
23 October 2024	Balanced Scorecard	Time to be found to analyse in more detail – possible use of Board Development Evening	Clerk

## MINUTES

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

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

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

	<p>with budget holders since F&amp;R which had revealed some additional costs as well as items to be removed from the Budget.</p> <p>Depute Principal (Operations) identified main reasons for Budget not breaking even to be an approx. £800k shortfall in student numbers (equivalent to approx. 200 FTEs) and £200k International commercial income being removed. Budget reflects known position re VS but not those posts still undertaking individual consultation, a figure of approx £500k.</p> <p>Depute Principal (Operations) noted that non-staff costs around IT and Estates had not been heavily reviewed due to potential impact on the student experience, and there is a need to invest in systems to assist in efficiencies.</p> <p>Board Member queried whether cost benefit analysis of systems would identify reduced costs in other areas, citing the example of the recently-shelved HR and Payroll joint system. Principal advised that each of the 4 partners involved in that system would have been implementing new systems on their own and had the single-service solution been implemented there would have been significant economies of scale released.</p> <p>Board Member queried whether the Estates Maintenance costs were related to a Conditions Survey. Depute Principal (Operations) advised that the current Survey had been produced over 2 years ago and was funded by SFC. The Director of Estates was implementing a new system to address the tracking of maintenance and repairs. Depute Principal (Operations) additionally advised that Perth Leadership Group had been engaged in an exercise looking at room usage across the campus to consider the impact on non-utilised rooms on teaching and staff capacities, and IT suites are a focus within this exercise.</p> <p>Board Member queried whether there was any sight on whether the Top-Slice was producing value for money for UHI Perth. Board Member expressed alarm that the College was looking to take out a £1.8m loan over 5 years given the current Risk Appetite in this area, and couldn't reconcile this against a deficit Budget.</p> <p>Chair noted that the previous Board had approved a £3.2m savings plan which projected a £420k surplus over time, but the Budget for the current year was projecting a £1.2m deficit with £800k of this made up of student numbers. There appeared to be a consistent over-estimation of student numbers that the College is unable to deliver, which provides an unrealistic assessment of where the College is as the £3.2m savings were agreed in order to right-size the business and return to a break-even position. Chair further noted that the College can't keep producing deficit budgets.</p> <p>Staff Board Member queried whether Part-Time Student numbers</p>	
--	---	--

	<p>were still to be added to these figures so the figures reflected the best-case scenario. Principal clarified that the figure was based on absolute numbers to October and estimates thereafter.</p> <p>Student Board Member expressed concern that the College would return to the curriculum to cut costs, as there are already pressures on capacity and this will have an impact on student retention – the focus should be on the Top Slice instead. Chair advised that the College does not currently have levers to pull regarding the Top-Slice.</p> <p>Board Member queried whether cuts had been made in the right places to help invest in areas such as IT and the student experience. Principal advised that there were no surplus staff in any area of the College and the tipping point was being approached in terms of functionality.</p> <p>Board Member asked whether the business model being used was the current one for the size of the business. Depute Principal (Operations) noted that overall costs were too high, but the College is at the bare bones in terms of non-staff costs, and PLG have looked at mitigations.</p> <p>Board Member noted that the £3.2m savings contained various assumptions and queried whether Appendix 1 as provided is effectively the new plan for this. Chair noted that the £3.2m savings is based on higher HE numbers than the Budget shows, and over 3 years. Chair also noted that the College makes money from FE and loses in HE, but there is no breakdown of these figures – if the College are not making money from HE why are we doing it? Principal advised that there are a variety of factors involved in answering that. HE numbers are clearly a concern and continuation of trends will impact on future planning and will shrink UHI Perth, and UHI, as an organisation.</p> <p>Chair noted that there was no material change from the position presented at F&amp;R and asked whether there was any likelihood to turn the position to break-even over the next 3 years as if not this needs to be communicated to UHI and SFC as additional funding will be required. Principal advised that there are some figures around contracts and timesheets that there will be some flexibility around, and while the Budget reflects the current position this will be regularly reviewed going forward.</p> <p>Board Member queried why staff numbers were not being reduced in line with the drop-off in student numbers. Principal noted that there is a requirement for run-out in courses that may be removed. Board Member noted that projections for these instances would be useful.</p> <p>Student Board Member queried whether there was any scope for</p>	
--	---	--

	<p>alternative options, such as private courses. Depute Principal agreed that this is an option, however cautioned that employers are very reluctant to pay for these.</p> <p>Board Member expressed concern at how quickly the position has moved for the worse since the June Board passed the savings plan, and would not be comfortable passing a Budget that cannot provide assurances that the scenario cannot be resolved over the next 3 years.</p> <p>Chair queried the impact on cashflow, based on the 3-year Budget. Director of Finance noted that a cashflow had not been projected beyond 2024/25. Chair noted that there needs to be honest conversations with UHI and SFC regarding the College's budget positions and cashflow requirements going forward.</p> <p>Board Member suggested it would be useful to receive detail on the numbers of staff removed from the payroll and the numbers still within this process. Principal noted that the Board had approved this process to be completed by end of Academic Year 2024/25 and the College was still on track to achieve this. Board Member responded that a different picture is being proposed that the Board needs cognisance of.</p> <p>Chair queried how long a 3-year cashflow forecast would take to produce as this will be required for insight around additional funding requirements. Director of Finance advised that this could be provided early next week, however the College remained in the dark around terms and conditions for any additional funding.</p> <p>Board Member advised that it feels like there are limited options for the College other than seeking additional funds from the Government. Board Member agreed, but expressed concern that the focus remains simply on removing deficits rather than seeking more fundamental solutions as the HE market has changed massively over the last 3 years.</p> <p>Chair summarised the discussion and noted the following actions:</p> <ul style="list-style-type: none"> <li>• Board to receive 3-year Cashflow as soon as possible to enable articulation of requirements for funding</li> <li>• Board to discuss levers available and bigger picture around wider problems that may or may not be resolved via OBC</li> <li>• Chair to communicate key funding issues to UHI and SFC</li> </ul> <p>Board was unable to approve UHI Perth Budget 2024/25 pending additional work actioned. Budget to be approved online, subject to pending additional work noted above.</p>	<p>Director of Finance</p> <p>Board</p> <p>Chair</p> <p>Board</p>
--	---	---



9.2	<p><b>Pension Strain</b></p> <p>Principal presented Paper 8 for approval, noting that the approximate strain cost has been assessed as £620k rather than the £470k figure noted in the Paper.</p> <p>Chair observed that there seemed little option for the Board other than approving the Paper, however this would need to be in principle until the terms of the loan agreement were seen.</p> <p>Board Member expressed surprise that Pension Strain costs were not highlighted in the original proposal paper given the additional risk around cashflow this creates, and that Board should have received clarity around whether these costs were included in cost/benefit calculations.</p> <p>Principal noted that that individual Pension Strain costs cannot be predicted in the same way as calculations linked to VS, and clarified that Strain costs were included in the overall calculations around cost/benefit.</p> <p>Board <b>APPROVED</b> Paper 8 in principle pending loan agreement terms.</p> <p>Board to be provided with actual vs assumed Pension Strain costs, with budgeted costs presented as a percentage.</p>	Director of Finance
9.3	<p><b>Annual Health &amp; Safety Report</b></p> <p>Principal presented Paper 9, noting that the Annual H&amp;S Report requires formal approval.</p> <p>Board Member queried the value for money around the confidential counselling service for employees. Principal clarified that a new contract for that service was being negotiated.</p> <p>Board Member queried the current position of the Board H&amp;S Champion. Clerk noted that this position had been vacant since a Board Member resignation and no volunteer had been recruited during the Board Review over the summer. Clerk to circulate information.</p> <p>Board <b>APPROVED</b> Paper 9.</p>	Clerk
9.4	<p><b>UHI Perth Board of Management External Effectiveness Review</b></p> <p>Clerk presented Paper 10, noting the addition of a Board Statement to the original draft as previously agreed</p> <p>Clerk added that the next phase after approval of the report was to pull together a Development Plan to implement the</p>	Clerk

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

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

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

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

**Status of Minutes – Open ☒**

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

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

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

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