

Extraordinary Board of Management

Agenda

Meeting reference: Board 2025-26/E02

Date: Wednesday 27 August 2025 at 6:00pm

Location: Online

Purpose: Extraordinary meeting

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

	Agenda Items	Author	Led by	Paper
1	Welcome and apologies		Interim Chair	
2	Additions to the Agenda		Interim Chair	
3	Declaration of a Conflict of Interest in any Agenda Item			
4	Financial Recovery			
*4.1	UHI Perth Financial Recovery Plan	Depute Principal (Operations)	Interim Principal/ Depute Principal (Operations)	Paper 1
*4.2	Independent Review of Financial Recovery Plan	Henderson Loggie	Henderson Loggie	Paper 2 To follow
4.3	Financial Reporting Templates		Depute Principal (Operations)	Verbal
*4.4	Standing Orders - Temporary Provisions	Clerk	Interim Chair	Paper 3
5	Date and Time of next meeting • Tuesday 07 October 2025 @ 5pm		Clerk	
*6	Review of Meeting & Key Messages (Committee to check against the Terms of Reference to ensure all competent business has been covered & to note Key Messages to be communicated to appropriate stakeholders)			Paper 4

Committee Cover Sheet

Paper No. 1

Name of Committee	Extraordinary Board of Management
Subject	UHI Perth Financial Recovery Plan
Date of Committee meeting	27/08/2025
Author	Catherine Etri, Interim Principal Lynn Murray, Depute Principal (Operations)
Date paper prepared	22/08/2025
Executive Summary Please provide a concise summary of the Paper outlining the purpose, impact and recommended future actions if approved	<p>This paper presents a financial recovery plan (FRP) for UHI Perth in response to projected deficits over a three-year period of £2.4m in AY2025/26, £3.3m in 2026/27 and £3.9m in 2027/28. The paper:</p> <ul style="list-style-type: none">• summarises the context of the operating environment in Scotland and UHI Perth• sets out the current financial plan and the assumptions used• identifies actions to achieve a balanced budget by the end of year three with associated risks and further initiatives that will be developed throughout the duration of the plan to repay £1.5m due to SFC and ensure the financial sustainability of UHI Perth for the future. <p>Paper requires approval by Board of Management before being submitted to the Regional Strategic Body and Scottish Funding Council prior to end August 2025.</p>
Committee Consultation Please note which Committees this paper has previously been tabled at, and a brief summary of the outcomes/actions arising from this.	Previously reviewed at an Extraordinary meeting of Finance & Resources Committee, 20/08/2025
Action requested	<input type="checkbox"/> For information <input checked="" type="checkbox"/> For discussion <input type="checkbox"/> For endorsement <input checked="" type="checkbox"/> For approval <input type="checkbox"/> Recommended with guidance (please provide further information, below)

Committee Cover Sheet

<p>Strategic Impact</p> <p>Please highlight how the paper links to the Strategic Objectives of UHI Perth or the UHI Partnership: Strategic-Plan-2022-27.pdf</p> <p>If there is no direct link to Strategic Objectives, please provide a justification for inclusion of this paper to the nominated Committee.</p>	<p>3-year Recovery Plan affecting financial sustainability across all areas of UHI Perth</p>
<p>Resource implications</p> <p>Does this activity/proposal require the use of College resources to implement?</p> <p>If yes, please provide details.</p>	<p>Yes – per paper</p>
<p>Risk implications</p> <p>Does this activity/proposal come with any associated risk to UHI Perth, or mitigate against existing risk?</p> <p>If yes, please provide details.</p>	<p>Yes – per paper</p> <p>Click or tap here to enter text.</p>
<p>Equality & Diversity</p> <p>Does this activity/proposal require an Equality Impact Assessment?</p> <p>If yes, please provide details.</p>	<p>No</p>
<p>Data Protection</p> <p>Does this activity/proposal require a Data Protection Impact Assessment?</p> <p>If yes, please provide details.</p>	<p>No</p> <p>Click or tap here to enter text.</p>
<p>Island communities</p> <p>Does this activity/proposal have an effect on an island community which is significantly different from its effect on other communities (including other island communities)?</p>	<p>No</p> <p>If yes, please give details:</p> <p>Click or tap here to enter text.</p>

Committee Cover Sheet

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

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

Please select a justification from the list, below:

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

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and

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

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~~Draft~~ Financial Recovery Plan

Three-year period from 1 August 2025 to 31 July 2028

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1. Executive Summary

This paper presents a financial recovery plan (FRP) for UHI Perth in response to projected deficits over a 3-year period of £2.4m in AY2025/26, £3.3m in 2026/27 and £3.9m in 2027/28. The paper:

- summarises the context of the operating environment in Scotland and UHI Perth
- sets out the current 3-year financial plan and the assumptions used
- identifies actions to achieve a balanced budget by the end of year three with associated risks and further initiatives that will be developed throughout the duration of the plan to repay £1.5m due to SFC and ensure the financial sustainability of UHI Perth for the future.

We remain determined to deliver our vision, values and strategic objectives regardless of any challenges that face us and we will continue to play a key role in the vital UHI transformation project. There has been a focus on cost reduction in recent years and the strategy that is now being adopted is set out below. ~~the strategy that is now being adopted is:~~

- continued commitment to both FE and HE
- over recruit on FE credits without increasing costs to serve the educational needs of the local community and to provide a pathway to increase HE numbers
- minimise job losses where possible
- ensure the most appropriate specialist academic staff are retained to ~~en~~ensure we meet the demand of our current and projected skill gaps within our region and nationally, and generate commercial and international income growth
- reduce the number of cost associated with professional services ~~staff~~ that do not provide core student-facing services, ensuring that all services are effective and provide best value and support for our students
- continue to make efficiencies ~~and to~~ reduce costs ~~te~~and maximise spend on enhancing the student experience.

~~We remain determined to deliver our vision, values and strategic objectives regardless of any challenges that will face us.~~

2. Context

2.1 Operating Environment

The current context across UK HE and FE education is one of continuing financial pressure. In Scotland, tuition fees per student funding from the SFC has already been cut by 39% per student in real terms since 2014/15.¹ The UK government has indicated that there will be a more fundamental review of university funding in 2025 and the Scottish Government will consider whether to reflect any implications from the review in Scotland.

Colleges Scotland noted recently that *“Despite the transformative impact colleges have on Scotland’s society and economy, the sector is facing a dire financial situation. Concerning reports from the [Scottish Funding Council](#) and [Audit Scotland](#) confirm a significant and accelerating decline in college funding.”*²

Audit Scotland reported in September 2024 that *“Scotland’s colleges need more clarity from ministers on what parts of their role to prioritise, as the sector’s financial challenges mount. Scottish Government funding for colleges reduced by £32.7 million in cash terms in 2024/25. Funding has reduced by 17 per cent in real terms since 2021/22. Cash balances held by colleges are also forecast to fall.”*

FE Colleges in Scotland are in a position termed ‘structural deficits’ i.e. they will not be financially sustainable without major structural changes, examples of which are identified in an SFC report from January 2024³.

A report published by Professor Joe Little in August 2025, exploring the future of skills, vocational, and technical education delivery in Scotland, refers to the need for the sector to move from ‘survival mode’ to ‘recognised as world-class’⁴.

SFC announced its draft indicative funding for FE and HE for 2025/26 in April 2025 with final allocations issued at the end of May. The overall amount of investment for colleges means a real term cut for the sector as the investment is not keeping pace with inflation; the total teaching funding allocated to colleges has increased by 2.6% (£13m) on last year against an inflation rate of 3%. UHI had the third biggest cut in teaching grant allocation from the previous year, when National Pay Bargaining (NPB) and the allocation to cover the increase in FE teachers’ pension funding are excluded. The Executive Office of UHI (the Regional Strategic Body - RSB) has had initial discussions with the SFC to discuss this position, as the SFC had previously given assurances that no College would experience a reduction in grant allocation in 2025/26.

This funding allocation has implications for UHI Perth in several areas but the most significant is that the negligible increase in income, coupled with reduced HE student numbers, does not cover the increase in staff costs through NPB and inflationary increases in non-staff costs. Section 3 sets out the current financial position.

¹ PWC Report, December 2023

²<https://collegesscotland.ac.uk/news/latest/597-sustainable-funding-for-colleges-a-direct-investment-in-scotlands-people>

³https://www.sfc.ac.uk/wp-content/uploads/2024/01/202312_FinancialSustainability_College.pdf

⁴[Vision For the Delivery of Skills, Vocational and Technical in Scotland](#)

2.2 UHI Perth Strategic Vision

The current strategic plan for UHI Perth covers the five-year period from 2022-2027.

Our vision is to empower our learners to achieve their full potential through a transformational student experience.

Our core value is to act with integrity in everything we do and to be student-centred, innovative, ambitious, respectful, inclusive and collaborative.

The strategy has 14 strategic objectives and highlights that we will aim to address our challenges surrounding sustainability, including financial, through rigorous planning and targeted action.

[We will revisit the strategy during 2025/26 to make sure it is aligned with the FRP.](#)

2.3 UHI Transformation Programme

UHI Perth is a key academic partner within the UHI partnership with the largest number of students overall. In their 2030 strategy, UHI outlined, that they would undertake a wide-ranging staff and student led programme of transformation to become a more integrated and connected institution.

It is recognised that the UHI partnership is financially unsustainable in its current configuration and that opportunities for integration such as joint professional services across all partners, could provide a pathway to addressing this instability.

An Outline Business Case (OBC) was developed during 2024 that considered 6 options, and agreement was reached among academic partners to progress to a Full Business Case (FBC) outlining 3 options – 1) single institution 2) mergers to deliver a smaller number of partners and 3) change/ transformation within existing constitutional structures. KPMG has been appointed as consultants and are engaging with academic partners to complete a FBC by 31 December 2025.

2.4 Financial Recovery Plan Objectives

UHI Perth's Senior Leadership Team (SLT), will oversee the implementation of the plan, with clear milestones and performance metrics for all core initiatives. To provide effective separation of executive and governance oversight duties, a Recovery Plan Monitoring Committee will report directly to the UHI Perth Board. The Audit Committee will also be kept apprised to monitor risk management and we will be proactive with transparent and regular communication with the RSB and SFC to ensure alignment of recovery goals. Staff, students and their representatives will be kept engaged and informed on recovery plans.

In March 2025 our internal auditor was commissioned to recommend improved controls and processes on key activities, including budgeting and planning, purchase, sales, cash and procurement, and the report should be finalised before the end of August 2025. We are strengthening our financial systems and controls across the whole organisation and ensuring budget holders have a strong understanding of the role they play in controlling the organisations costs.

SLT members and the Board are cognisant of the need to maintain fiscal discipline while transforming the institution, seeking new sources of revenue and contribution, and increasing awareness and respect for the UHI Perth brand reputation.

2.5 Process to Formulate the Financial Recovery Plan

On 9 June the Interim Principal led a workshop facilitated by an external consultant appointed by the RSB which set out the 9-stage process developed by the Interim Principal to formulate a FRP by the end of August 2025. The previous week the Interim Principal had

asked staff at their conference to contribute ideas for income growth opportunities and efficiency savings. Some of these ideas have been included in the plan but others will take more time to develop. Curriculum Directors will work with their teams to bring these ideas and innovations to fruition. Experienced key local partners were also involved in a Budget Review Group including the Chief Executives of Perth & Kinross Council and the Perth Chamber of Commerce.

The following financial principles/ actions were identified in formulating the plan:

- Deliver planned volumes of student activity as a minimum
- Improve student success and retention to increase planned volumes
- Maximise class sizes – focus on additional recruitment including part-time courses and new delivery methods
- Optimise timetabling and staff deployment
- Review management structures and working practices
- Retain specialist academic staff to provide opportunities for income growth
- Increase non-SFC income (recurring and sustainable)
- Increase commercial income where profitable (recurring and sustainable)
- Develop and populate an activity cost model to gain a full understanding of contribution to costs of each course
- Optimise use of estate and digital technology
- Develop workplace effectiveness through continuous improvement
- Reduce non-staff costs - implement essential spend to support students, staff and strategic objectives
- Reduce professional services costs [that do not provide core student-facing services](#).

This paper sets out the proposed FRP based on the actions that have been approved by the Board of Management and includes an implementation plan at Appendix 2. [It is important to note that work has already started to move forward the actions identified in the plan, including recruitment to replace senior leadership posts, reductions in staff and continued implementation of essential spending measures.](#)

3. Current Financial Position

3.1 2024/25 Academic Year

In December 2024 the UHI Perth Board agreed a budget deficit of £1.288m, after a letter of comfort from SFC in respect of the provision of financial support. The SFC had provided advance funding of £0.5m in October 2024 and £1m in November 2024.

At the half-year review point at 31 January 2025 the forecast deficit increased to £1.8m (the result of an accounting error) and UHI Perth requested a further cash advance of £1m from SFC via UHI Executive Office and the Regional Strategic Body (RSB) as it was predicted that UHI Perth would have a cash deficit by July 2025. The SFC requested that a further advance would be considered after provision of a FRP and a three-year timeframe for this was agreed with the RSB.

The quarterly forecast to the end of April 2025 revised the forecast to £1.2m deficit to the end of July. The key reason for the improved position was that many income sources had not been identified in the budget as a member of staff who held this knowledge had left with no handover after sickness absence. The cash deficit has been delayed until July 2026 through the measures identified below, the first two of which will be adjusted for as part of any overall funding support agreed by the SFC on the basis of the FRP:

- The RSB agreed that £700k clawback from reduced HE numbers could be delayed until October 2025
- SFC agreed that we could draw down 2025/26 funding early
- The Interim Principal instigated emergency spending controls ensuring only essential spend and deferring spend where possible.

3.2 AY 2025/26 Budget and Financial Plans for the following two years

The baseline budget for AY2025/26 and financial plans for the following 2 years were prepared on ~~a worst-case scenario~~ the basis of current forecast activity to reflect the College's financial position in the absence of a recovery plan. The baseline budget was prepared on the following basis:

- No curriculum changes or shift in delivery models
- Maintain staff at current 24/25 levels
- No engagement in the SFC College Transformation Framework
- No expected financial benefits from UHI transformation opportunities in the next three years
- Income from commercial and international remaining at current levels
- Inflationary pressures, including NPB pay awards, remain unfunded.

Financial budgets and performance are reported using the Adjusted Operating Result (AOR) methodology as directed by the Scottish Funding Council (SFC) as it is easier to understand and recognises that the main constraint facing UHI Perth is the level of cash available to pay staff and suppliers. This removes technical accounting adjustments for items such as non-cash pension adjustments, non-cash depreciation and deferred grant adjustments relating to capital spend.

The 3-year plans were tabled at the Board meeting of 5 June and were then revised to reflect the assumptions set out in the SFC guidance on the Financial Forecast Return (FFR) issued on 3 June and updated plans were tabled at the Board meeting of 25 June. This resulted in a budget deficit of £2.5m in 2025/26, £3.3m in 2026/27 and £3.9m in 2027/28 (see appendix 1).

The cashflow forecast based on these figures shows a cashflow deficit of £2m in 2025/26, a further £2.8m in 2026/27 and £3.4m in 2027/28 (see table 7).

Key items for consideration in the 2025/26 budget are that:

- 82% of funding is from the SFC.
- 73% of total income relates to staff costs: [and](#)

[36% relates to Non-staff costs \(total of 109% as costs exceed income resulting in a deficit\).](#)
[account for 36% of the total income and Non-staff costs](#) include contractual costs such as learner certification fees, software licenses, insurance, utilities, rates and other costs which are largely unavoidable or statutory, with limited scope to reduce them further.

This recovery plan sets out how we will achieve a balanced budget by the end of the 3-year period while still achieving our vision, values and strategic objectives.

3.3 Detailed assumptions used in the baseline budget - significant figures

3.3.1 Income

Table 1

		Draft Budget 25/26	Approved Budget 24/25	Variance	Plan 26/27	Plan 27/28
	Income	£'000	£'000	£'000	£'000	£'000
	Academic					
1	FE Teaching Grant	8,750	8,487	263	8,750	8,750
2	Student Support	2,410	2,340	70	2,410	2,410
3	SFC/RSB Grants	612	874	(262)	288	288
4	HE Teaching Grants	7,251	6,676	575	7,251	7,251
5	Tuition Fees	2,616	2,980	(364)	2,616	2,616
	SDS Contracts	511	535	(24)	511	511
6	International Income	1,473	1,211	262	1,473	1,473
	Other Income	443	252	190	344	345
		24,066	23,355	711	23,645	23,646

1. FE teaching grant from SFC

- All three financial years are based on the draft indicative allocations for 2025/26 from UHI received in April i.e. 22,050 credits. We always fulfil our credit allocation and there is normally higher local demand than available capacity.
- The increase in teachers' pension fund contributions (SPPA) from 23% to 26% from 1 April 2024 is now included – in 24/25 there had been a separate payment from the SFC. This is the main contributor to the increase of £263k in value per credit.
- UHI is considering adjusting the partner distribution model to align with the changes in the SFC college distribution model. The UHI funding model baseline price group mix for each partner is based on 2015/16 data, whereas the SFC 2025/26 grant is based on the region's 2023/24 price group mix. The change to our grant allocation is not expected to be significant.
- Discussions between UHI and the SFC are at an early stage to explore the potential to convert a shortfall of HE FTEs into FE credits.

2. FE student support funding from SFC

- All three financial years are based on the allocations for 2025/26 from UHI received in June 2025. In the year-to-date at the end of May for 2024/25 1,430 applications were received; this compares to 1,559 applications in 2023/24.

3. SFC/ RSB Grants

- Assumptions per draft indicative allocations for 2025/26 from UHI received in April 2025 or other notification.
- Part-funding of academic staff pay award – of the 4.14% pay award agreed, it is expected that 1.14% will be funded by Scottish Government for 2025/26.
- Funding of the increase in employers' national insurance for FE staff – it is expected that 48% of the estimated cost increase will be funded by Scottish Government in 2025/26.

4. HE teaching grants from SFC

- All three financial years are based on the draft indicative allocations for 2025/26 from UHI received in April 2025 reduced by 40.5 FTE to reflect UHI Perth target numbers ie from 1570.5 FTE to 1,530 FTE. Since the pandemic UHI Perth has not met its target numbers for HE and HE FTEs were reduced by 200 in the 2024/25 budget.
- Controlled HE numbers will not be released until later in the year so the same numbers as 2024/25 have been assumed for all 3 financial years in the baseline budget.
- MicroRam is assumed as a cost for all 3 years in the baseline budget. Within the UHI partnership UHI Perth has students who are taught by other partner colleges and UHI Perth teaches students for other partner colleges. There is an annual exercise that calculates the net position for each academic partner college. In 2024/25 UHI Perth was a net receiver from the MicroRam. It has been assumed in the baseline budget that this trend won't continue and £80k of costs have been budgeted for each of the three financial years.

5. Tuition fees

- The baseline assumes 1,556.91 HE FTE plus 161 controlled numbers for 2025/26 and the same for the following two years. The average fee per FTE is assumed as £1,528.
- The baseline assumes a £364k reduction between 2024/25 and 2025/26 due to previously reduced student recruitment target.

6. International income

- TNE (transnational education) income is based on contracts in place. Assume 70% of direct on-campus new applications convert to student numbers and that all continuing students are successful.

3.3.2 SFC Capital Grants

There was a £28k (3%) increase between 2024/25 and 2025/26 in FE and HE capital grants to £799k. Spend priorities for UHI Perth for next year means that circa £150k may relate to capital spend. In late December 2024 the SFC allowed flexibility in spending the FE grants on either CDEL (capital) or RDEL (revenue) in 2024/25.

The SFC guidance for 2025/26 is to assume the capital grant can only be used for capital expenditure in 2025/26, however SFC is still in discussions with the Scottish Government on this matter, and a change in this guidance would make a significant difference to UHI Perth's budget in 25/26.

Within the baseline budget, it has been assumed that none of the capital grant can be attributed to estates planned and reactive maintenance (RDEL). This will need to be updated once the final decision has been made by the Scottish Government and would reduce the deficit by £799k each year, although it is assumed it would have the same impact on the cashflow whether it is RDEL or CDEL.

3.3.3 Staff Costs

The following assumptions have been made for staff costs.

- Staff costs are based on full and part-time posts at the time the baseline budget was prepared on 15 May and have taken into account end dates of current fixed term contracts and known leavers. It is assumed there is no change in FTEs during the 3-year plan because the strategic review will result in changes that we cannot yet estimate.
- Academic staff – 4.14% pay award in 25/26 with 1.14% paid for by Scottish Government in 2025/26 and 3% unfunded pay award for the following 2 years.
- Support staff – 3% unfunded pay award for each of the three financial years.
- Employers' national insurance increases – per UK budget contribution changes based on the 2025/26 tax year for all 3 financial years.
- Teachers' employers' pension (SPPA) contribution – 26% for all 3 financial years.
- Support staff pension contribution – 15.7% for all 3 financial years.
- Increments made from 1 August each year where applicable.
- Pay award made from 1 September each year.
- The national job role evaluation process is still ongoing, and it is assumed any additional cost of this will be funded in full by Scottish Government, therefore nothing is included in the budget for increases in pay rates in relation to this. However, in the financial statements the accounts direction was to provide for the cost (£2.7m in 2023/24) but not the income as SG has not yet committed to this in writing.
- Temporary staff cover – assume an equivalent of 10 FTE posts for academic and 3 FTE posts for the Academy of Sport and Wellbeing. A procedure will be put in place to control use of this budget.
- Non-funded pension fund from Tayside Pension Fund - £10,250/month plus 5%.
- Apprenticeship Levy based on circa £14m pay bill (salary excluding employers NI and pension) @ 0.5% less £15,000 allowance.

3.3.4 Non-staff costs

Not all non-staff costs were increased year on year meaning a real time reduction. The following assumptions were made otherwise.

- General inflation – 3%, which includes gas and electricity. Costs are subject to inflation unless they are otherwise covered by contract conditions.
- ICT costs – costs have been kept to a minimum for only essential spend for existing software and doesn't include development costs. £45k has been allowed for break-fix of hardware.
- Estates costs – we have identified that at least £550-650k will need to be spent on planned and reactive repairs and maintenance annually to keep the estate in a reasonable condition notwithstanding that unplanned and emergency repairs could be required.

4. Key Risks

There are several risks to the baseline budget that are also risks to the recovery plan.

4.1 SFC and UHI changes to the FE funding distribution methodology

SFC has proposed a new FE funding model to allocate funding across all Scottish Colleges. Some Colleges would benefit while others would be worse off financially. It appears that UHI will receive much the same allocation as previously with the new model although the position is unclear as the funding for NPB and lecturer pension costs have been included in the core FE grant this year whereas last year it was included separately.

UHI is considering adjusting the partner distribution model to align with the changes in the SFC college distribution model, however based on the draft modelling of this, there would not be a significant impact for UHI Perth. There is a risk of cuts in future years.

4.2 National Pay Bargaining Pay Awards

The Scottish Government agreed to partially fund the academic pay award for 2025/26 – 1.14% of the 4.14% increase, however the other 3% increase is unfunded.

SFC provided guidance in the FFR to plan for 9% over a 3-year period for academic and support staff and we budgeted for 3% each year.

The pay award for support staff is still under negotiation with the trade unions and current negotiations could lead to an impact of 10.5% over 3 years i.e. 4.25% in 2025/26 (£89k more than budgeted), 3.25% in 2026/27 (£117k more) and 3% in 2027/28 (£122k more). There is no indication that the SFC would fund any of this.

Continued unfunded annual pay awards of between 3% and 4% would cost UHI Perth between £500k and £700k each year.

4.3 Additional Staff On-Costs

The college is facing additional employment on-costs through government budget and funding decisions, and although we have been advised about short term funding for these costs, there remains the strong possibility of future additional unfunded costs.

The two main costs relate to a 3% increase in lecturer pension contributions from April 2024 (additional annual cost of £240k) and an increase in employer national insurance costs from April 2025 (additional annual cost of £370k and an in-year cost of £125k).

Although most of these costs are being funded by the SFC in 2025/26 there are no guarantees about funding in future years.

4.4 Job Evaluation

National Job Evaluation across the College sector is a significant unknown risk factor. The review was started in 2018 but is still outstanding and any changes would be backdated to 2018. £2.7m was accrued in the 2023/24 financial statements [and this is likely to increase to £3.2m in 2024/25](#). There are indications from College Employers Scotland that this could be implemented in the next two years. The key risks are that:

- the amounts accrued are based on the salary costs of staff employed in 2018 rather than current staff and salaries wage costs plus staff employed in 2018 so do not represent current wage levels
- there is uncertainty about whether the costs associated with implementing Job Evaluation reviews would be fully funded by the SFC or Scottish Government. No provision has been made in our projections for any non-funded contingent liabilities relating to National Job Evaluation.

4.5 Deterioration of Infrastructure – Estates and Digital

As reported in the 2024/25 budget paper at the Board meeting of 18 December 2024, estates and ICT 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 improve the quality of data that can be used for analysis and decision-making and we will be stymied if under-investment continues. In some cases, modules have been purchased to enable improved reporting for example but further spend is needed to develop the system for our purposes and train staff. There is potential to work with the UHI and other academic partners to share services and systems and develop for mutual benefit. Lack of investment in estates and ICT are significant risks to the organisation.

4.6 Advance of grant to be recovered by SFC

At 31 July 2025 UHI Perth owes £1.5m to the SFC for advance of grant funding at no interest and repayable when we are able to do so. There is a risk in relation to the terms of any further support from SFC and the basis on which that is given as financial pressures increase.

4.7 Other Key Risks

- Reputational decline, as financial fragility becomes visible to staff, students, stakeholders, and potential partners.
- Erosion of public and political confidence in UHI Perth's ability to fulfil its regional mission.
- Increased likelihood of formal intervention by UHI or the SFC, including potential clawback mechanisms, enforced restructuring or takeover.
- Possible further scrutiny from external audit, Audit Scotland and possibly the Public Audit Committee in the context of maintaining 'going concern' for the college.
- Rising staff morale issues and potential for industrial relations tensions.
- Inability to invest in strategic priorities, digital transformation, or economic development partnerships.
- Breach of fiduciary duties if action is not taken despite clear evidence of financial risk.

5. Financial recovery plan (FRP)

This section outlines the proposed FRP, with the actions ~~that~~ to be endorsed by the Board on 27 August 2025. [We have already started work to take forward some of these actions and will develop scenario plans for best, realistic and worst cases to help manage risk.](#)

The plan proposes a balanced 3-year strategy combining targeted income growth with a reduction in professional services staff that are not student-facing and further reducing non-staff costs. It identifies opportunities for the future, including active engagement in the UHI transformation programme and a full review of the curriculum.

The plan enables UHI Perth to address the financial deficit while still delivering the vision and strategic objectives, maintaining stakeholder confidence and positioning for long-term financial sustainability.

Many of the ideas included in the plan were identified by staff and we will work together to take forward other opportunities for growth.

[The risk scores in the tables are based on UHI Perth's Enterprise Risk Management Framework.](#)

			Impact				
Likelihood			1-Insignificant	2-Minor	3-Significant	4-Major	5-Catastrophic
	5-Almost Certain	> 80%	5	10	15	20	25
	4-Likely	61% - 80%	4	8	12	16	20
	3-Possible	31% - 60%	3	6	9	12	15
	2-Unlikely	10% - 30%	2	4	6	8	10
	1-Very Rare	< 10%	1	2	3	4	5

5.1 Income Growth

Table 2 [risk rating changed](#)

		Forecast	Budget	Growth			Risk of not achieving growth		
		24/25	25/26	25/26	26/27	27/28	Likelihood	Impact	Risk score
Income		£000	£000	£000	£000	£000			
Curriculum									
1	Increase HE numbers	7,229	7,251	302	604	604	3	4	12
2	International	1,519	1,579	0	250	750	3	4	12
3	Evening degree programme	0	0	0	68	91	3	3	9
4	Short courses	54	88	92	102	112	3	3	9
Estates									
5	Lease of nursery building	0	0	0	30	30	3	2	6
6	Goodlyburn theatre	3	10	2	2	2	2	1	2
7	Car parking charges	0	0	0	20	50	2	2	4
8	ASW - increased fees	286	327	30	30	30	2	2	4
8	ASW - new memberships	0	0	11	22	33	3	2	6
8	ASW - increased sports hall income	114	126	5	5	5	3	1	3
Total income growth		9,205	9,381	442	1,133	1,708			

Curriculum

1. Increase HE numbers - prior to the pandemic, HE numbers were higher at around 1,700 FTE. In AY 2024/25 the numbers reduced to around 1,500 meaning a loss of funding of approximately £800k. In 2025/26 we have targeted 1,530 FTE including 30 graduate apprenticeships. More work is required to identify areas for growth and gaps in the market such as public sector management training. It is known that UHI Perth does well where our courses are different to our competitors or there are few providers eg audio

engineering and aircraft engineering. There has been a change of strategy at UHI Perth to increase the number of FE students and therefore credits without increasing teaching costs to create a pathway into HE for existing students.

2. International – there are currently contracts in place totalling ~£1.5m mainly for TNE in China, Nepal and Iceland for engineering and hospitality. We also deliver direct on-campus learning and MBAs are delivered online. UHI Perth was the first Scottish College to deliver internationally and there is great potential to increase TNE income in current and new markets, where there are low fees and high numbers of students. This can be delivered with current staff resources as we are selling materials, content and oversight.
3. Part-time evening degree programme – would allow us to increase our Higher Education (HE) offer to students in the community who might not be able to take advantage of the daytime offering and for whom distance learning might not suit their learning needs. Initially the programme would offer a range of enterprise focussed modules and we would also look to take a new “Combined Studies” degree through validation to allow us to offer a wider range of modules that could be counted towards a degree.
4. Short courses – staff have generated ideas for short courses in a wide range of practical and academic subjects. More work is required to assess market demand and contribution and whether courses can be reprofiled into our HE numbers. A prudent estimate has been included in the FRP.

Estates

5. The nursery was closed in summer 2024 and the building has not been used since. Opportunities to lease the building/ conversion to halls of residence will be explored during 2025/26 with a view to occupancy from 2026/27.
6. The theatre in the Goodlyburn building is a fantastic facility, which is hired out to local groups. There is capacity to increase income while maintaining demand.
7. Historically car parking charges were in place for staff, students and visitors to the campus. It is proposed to reintroduce a small charge from 2026/27.
8. The Academy of Sport and Wellbeing (ASW) is already well used by students, the community and clubs locally and further afield. There are opportunities to increase income by increasing membership, membership fees and use of the sports hall. It is critical that a marketing strategy is in place to maximise publicity and awareness.

Income Growth – risks

There is a risk that income levels identified in the plan are not achieved due to factors such as:

1. HE numbers are below the anticipated level due to reduced entry level requirements/ better facilities/ courses that better meet student needs of competitor academic institution.
2. Demand for degree courses and short course programmes are lower than expected.
3. There is no demand to lease the nursery building or costs to convert into residences or other use exceed the income that could be generated.
4. The economic climate and cost of living affect people’s disposable income which impacts on the demand for the income-generating services we provide.

We will aim to mitigate these risks by having a constant focus by staff across UHI Perth on recruiting and retaining students and giving them high levels of support and teaching, running additional short course programmes and ensuring that we provide competitive prices, a good standard of facilities and customer-centred staff in ASW with a continued emphasis on income targets and growth.

5.2 Staff Cost Reductions

Table 3 risk rating changed

Staff costs	Forecast	Budget	Savings						Risk of not achieving savings		
	24/25 £000	25/26 £000	25/26 £000	25/26 FTE	26/27 £000	26/27 FTE	27/28 £000	27/28 FTE	Likelihood	Impact	Risk score
1 Vacant posts - non management	0	172	172	4	182	4	189	4	1	3	3
2 Management restructure	921	918	343	5	502	4	520	4	2	4	8
3 Voluntary severance & strain costs - one-off	0	0	(123)		(8)		0		2	3	6
4 Review of h&s management function	44	46	0		48	0.8	49	0.8	2	2	4
5 Curriculum review	854	700	306		529		693		3	4	12
6 Reduce manual processing	101	104	0		0		108		3	3	9
7 Invigilators, readers and scribes	59	40	3		3		3		1	1	1
Total savings from staff costs	1,979	1,980	700	9	1,255	8.8	1,562	8.8			

1. Vacant posts – there are seven vacant non-management posts in professional services that have been removed from the budgeted establishment as they will not be filled. No staff are leaving the organisation because of this proposal.
2. Management restructure – posts in the Senior Leadership Team have been restructured to have one rather than two Depute Principals with the other role being changed to a Chief Finance Officer. Four professional services directors have been removed from the structure as well as two other management posts in professional services. Changes are targeted to be made by 30 November 2025, and the figures show one-off voluntary severance and pension strain costs.
3. Voluntary severance and strain costs – one off-costs relating to the management posts.
4. Health, Safety and Wellbeing Adviser - will retire on 31 July 2026 and duties will be re-allocated to other staff while ensuring there is a Competent Person for Health and Safety for the organisation.
5. Curriculum review - £700k is included in the budget to employ staff on short term contracts and for existing staff to work additional hours to cover staff absences in the curriculum. Module leadership remission will be reduced from 17 hours to 13 hours in 2025/26 and changes will be made to timetable more effectively. Directors of Curriculum will ensure that working practices are changed to gradually reduce this figure over the 3 years.
6. Reduce manual processing – there is potential to reduce HR and Finance staff in year three provided there is limited investment in improving systems and processes.
7. Invigilators, readers and scribes – a small reduction can be made reducing the number of students allocated to exam rooms on their own, with an invigilator.

Staff costs – risks

- Stress risk assessments in recent years show that staff across the organisation already feel under pressure to complete their workload. Reduced numbers could result in increased pressure on staff leading to staff leaving/ sickness absence.
- Loss of senior professional knowledge could expose the organisation to risk of non-compliance in some areas.
- Lack of capacity to develop systems and processes to make improvements, reduce staff and respond to emerging developments and initiatives affecting the sector.
- Insufficient budget to ensure cover is in place for academic staff absences to ensure delivery over all courses and programmes.

We will aim to mitigate these risks by carrying out individual and team stress risk assessments and acting on outcomes including reprioritisation of workload, stopping tasks that are not essential and contracting professional expertise where there are gaps. We will continue to promote the 'think yes' culture to empower staff to make changes to processes identifying where investment is necessary in key systems.

5.3 Non-staff Cost Reductions

Table 4 [risk rating changed](#)

Non-staff costs	Forecast	Budget	Savings			Risk of not achieving savings		
	24/25 £000	25/26 £000	25/26 £000	26/27 £000	27/28 £000	Likelihood	Impact	Risk score
1 ICT - reduced spend	332	382	64	51	32	2	2	4
1 ICT - re-profile spend	209	133	70	0	(70)	2	2	4
1 Estates - reduced spend	628	653	25	42	42	2	2	4
1 Estates - reprofile planned maintenance	326	732	200	0	(200)	3	3	9
1 HR - reduced spend	82	106	45	46	46	2	2	4
1 Legal budget - reduced spend	0	30	10	10	10	3	1	3
1 Consultancy - reduced spend	74	71	17	17	17	3	2	6
2 Energy usage - reduced spend	584	624	16	47	66	2	2	4
3 UHI Microram - net receiver	(7)	80	87	87	87	3	3	9
4 Centre for Mountain Studies	141	285	96	309	324	3	4	12
Total savings from non-staff costs	2,369	3,096	629	608	354			

1. The Interim Principal has introduced emergency spending controls to ensure only essential expenditure is undertaken and will continue to review every purchase order before approval. Reductions have been made across several budget headings and managers will be held accountable for working differently to operate within these revised budgets. £200k of planned maintenance spend in estates and £70k ICT spend in 2025/26 will be reprofiled to 2027/28.
2. Energy costs – 2.5% reduction has been targeted in 2025/26 and a further 5% in 2026/27. We have identified partners such as Perth & Kinross Council, EAUC Scotland (the alliance for sustainability leadership in education) and a Sustainability expert from the private sector that we will work with to maximise savings.
3. MicroRam – 2025/26 was the first year that UHI Perth was a net receiver of MicroRam meaning that on balance our staff taught more students from other academic partners than other academic partners taught our students. We will plan our approach to ensure that this balance is maintained in future years.
4. Centre for Mountain Studies (CMS) - as part of the workstream exercise in 2024 there had been initial conversations with the Executive Office of UHI about transferring the CMS to them. There is still an appetite for this transfer to happen, and discussions will continue with a target implementation date of February 2026.

Non-staff costs – risks

- There may be a need for essential spend to operate effectively/ respond to emergencies if budgets have been cut too much and budgets become over-spent.
- UHI do not agree to the transfer of CMS or the transfer is made after February 2026 meaning the level of savings is less than provided for.

[We will aim to mitigate these risks by regularly monitoring budgets and reducing spend in other areas to compensate for overspends where this is essential and having early and regular discussions with UHI on the transfer of CMS with an agreed plan of how to achieve transfer within timescales.](#)

5.4 AST Replacement Provider

In April 2025 AST (Air Services Training (Engineering) Ltd), UHI Perth's charitable trading company, went into administration. There is only one other provider in the UK that can deliver this training, although costs in excess of our budget of £489k in 2025/26, £242k in 2026/27 and £161k in 2027/28 will be incurred for existing students to complete their BSc (Hons) degree in Aircraft Maintenance Engineering and Management. The SFC has agreed to

provide income to cover these costs, and the costs and associated income are reflected in the FRP.

5.5 Summary of Estimated Financial Impact

The table below shows the estimated financial impact if all the measures identified above are implemented. There is a gap of £232k in 25/26, £62k in year 2 and £120k in year 3 but various actions are identified at paragraph 5.6 below that will be taken to balance the budget by the end of year 3.

Factors affecting when UHI Perth could repay the SFC £1.5m advance funding provided in 2024/25 include:

- SFC change their decision to allow CDEL to be used for RDEL for estates maintenance as set out in paragraph 3.3.2 above.
- £245k per year is being paid for pension strain costs over the 3-year period and there is no further commitment in future years.

Table 5

Summary	25/26 £000	26/27 £000	27/28 £000
Deficit per 3 year plan - baseline at 25 June 2025	(2,492)	(3,301)	(3,905)
Income growth	442	1,133	1,708
Staff savings	700	1,255	1,562
Non-staff savings	629	608	354
Growth and savings identified in FRP	1,771	2,997	3,624
Remaining deficit after initial actions	(721)	(304)	(281)
AST replacement - funding from SFC	489	242	161
Remaining deficit	(232)	(62)	(120)
Further actions to reduce deficit		178	236
Balance	(232)	116	116
Estates maintenance - convert CDEL to RDEL	799	799	799
Balance if CDEL converted to RDEL	567	915	915

The table below shows the sensitivity of %age changes if higher or lower levels of income growth or savings were achieved.

Table 6

	25/26	26/27	27/28
Sensitivity analysis	£000	£000	£000
Income			
1%	4	11	17
5%	22	57	85
10%	44	113	171
Staff savings			
1%	7	13	16
5%	35	63	78
10%	70	126	156
Non-staff savings			
1%	6	6	4
5%	31	30	18
10%	63	61	35

The annual impact on the cashflow comparing the baseline budget to the figures in table 5 are shown in table 7 below. The cashflow assumes that all the FRP measures happen in the proposed year, CDEL funds for estates maintenance are received each year and the further actions to reduce the deficit have been included in non-staff costs until more detailed work can be carried out. [Potential job evaluation costs of £3.2m in the year to 31 July 2025 and payback of £1.5m advance grant to SFC are not included in these figures.](#)

Table 7

Cashflow			
	25/26	26/27	27/28
	£000	£000	£000
Baseline Budget			
Income	27,027	26,701	26,744
Staff	(19,438)	(19,965)	(20,620)
Non-Staff	(9,550)	(9,483)	(9,475)
Total cashflow	(1,961)	(2,747)	(3,351)
Opening Cashflow	(60)	(2,021)	(4,768)
Movement	(1,961)	(2,747)	(3,351)
Closing Cashflow	(2,021)	(4,768)	(8,119)
FRP table 5 - Remaining Deficit			
Income	27,469	27,834	28,452
Staff	(18,738)	(18,710)	(19,058)
Non-Staff	(8,432)	(8,633)	(8,960)
Total cashflow	299	491	434
Opening Cashflow	(60)	239	731
Movement	299	492	434
Closing Cashflow	239	731	1,165
FRP table 5 - Balance			
Income	27,469	27,834	28,452
Staff	(18,738)	(18,710)	(19,058)
Non-Staff	(8,432)	(8,455)	(8,724)
Total cashflow	299	669	670
Opening Cashflow	(60)	239	909
Movement	299	670	670
Closing Cashflow	239	909	1,579

5.6 Further actions towards financial recovery

The opportunities for income growth and efficiency reductions identified above have been assessed as being achievable but there is more that will be developed during the 3-year period to strengthen our financial position. Examples of these initiatives are set out below.

5.6.1 Review of the curriculum

Discussions were held with other Colleges in the sector on the measures they have taken towards financial recovery. In all cases there has been a focus on the curriculum, and we will take the following actions within the specified timescale:

- Benchmark staff utilisation with Colleges of similar size – semesters 1 and 2 2025/26.
- Audit of curriculum plans/ courses – Henderson Loggie (HL) – semester 1 2025/26.
- Course profitability/ contribution - continuous monitoring and auditing of course profitability and local demand for skills during 2025/26.
- Timetabling audit/ audit of timetabling protocols HL – semester 1 2025/26
- Reducing teaching time to 55 minutes. Work with other Colleges in the sector who have considered the same change to timetable modelling before starting consultation with Trade Unions during 2025/26.

5.6.2 Vacancy management

- It is common practice to include a vacancy management target as a percentage of staff costs and extend the time taken to recruit to vacant posts. We will apply an appropriate percentage that considers staff turnover in recent years, excluding those leaving on voluntary severance eg 1% of staff costs in 25/26 equates to £183k. We will carry out the work and agree an appropriate target in semester 1 2025/26.

5.6.3 Short course programme

This activity was identified above with achievable targets for the next 3 years. However, this is an area that requires more time for staff to develop these ideas as there is huge potential to work with local businesses and the community to deliver courses that will suit the needs of individual people and the job market. This work has already started.

5.6.4 Efficiency targets

While there is already a focus on reducing non-staff costs there is scope to introduce corporate targets across budget headings eg procurement, use of AI to improve efficiency. We will agree targets in semester 1 2025/26.

5.6.5 Strategic Asset Management

An estates strategy will be developed that underpins the academic strategy and considers the condition and optimum utilisation of the estate, net-zero and sustainability targets, priorities for planned maintenance and capital investment and options to support the delivery of the organisational vision and strategic objectives.

5.6.6 Tay Cities Deal

An Outline Business Case (OBC) was approved in 2019 to build an Aviation Academy for Scotland and £6.1m of the total £8.1m for the project was allocated to UHI Perth. However, several factors including delays to the project due to the pandemic, rising costs of construction after the pandemic, the administration of Tayside Aviation and more recently the administration of AST has meant that the proposals in the original OBC are no longer viable. UK and Scottish Governments and the Tay Cities Advisory Board would be supportive of UHI Perth changing the scope of the bid, although it is likely to take around 18-months to go through the approval process. Upgrading an existing building on the UHI Perth campus with potential capital funding from Tay Cities to create an innovation hub for example could reduce the cost of our estate and provide opportunities for income growth. We have started discussions with Perth & Kinross Council about the redevelopment of the original proposal.

5.6.7 UHI Transformation programme

UHI is currently undergoing an SFC-funded transformation project with the aim of making the UHI partnership a more efficient and cost-effective organisation.

UHI Perth is fully participating in this project and the Full Business Case that is being developed by 31 December 2025 will set out the financial benefits that the UHI partnership as a whole as well as individual academic partners can expect to realise along with indicative timescales. Potential savings could be achieved from:

- Reduced top-slice and proportion of costs associated with the running of UHI including corporate costs – it assumed that substantial cost savings will be achieved within UHI Executive Office through the transformation process and this will result in a reduced top-slice for all academic partners.
- Joint support services – another key area for the transformation project, linked to the bullet point above, is the creation of joint support services for academic partners, including finance, HR, marketing and student services.
- Shared curriculum delivery – one of the workstreams is focused on achieving economies across UHI through shared curriculum delivery and management.

5.7 Improve Financial Information

Improving financial information is an absolute requirement of the UHI Board. There is also ~~F~~urther action ~~that~~ needs to be taken during 2025/26 to improve visibility and transparency of financial information and inform decision making with information that is accurate, timely and robust, although this is currently a challenge with existing resources while significant improvements require to be made to systems and processes. For example:

- Increase transparency and credibility of cash flow forecasts
Implement immediate improvement in cashflow reporting and management; identify measures to improve liquidity, reduce cash outflows, and ensure appropriate working capital is always available; increase visibility of the assumptions used in forecasting; engage with budget-holders to ensure their understanding of what drives cash flow projections, the need for '*best, worst, most-likely*' estimates of model variable values, timing of income inflows and spend outflows; provide regular feedback on actual vs forecast outcomes to improve forecasting quality on a rolling basis; introduce 12 quarter (3 – year) rolling plan forecasts to anticipate and respond to the changing operating environment; demonstrate trends in cash flow driver activity and outcomes.
- Implement more frequent and comprehensive reviews
Work with each main budget holder (all are members of the Perth Leadership Group and have delegated responsibility for budget management) to identify and reduce or stop non-essential spend; collaborate to inform planning and reporting; encourage budget-holders to review short to medium term investment plans to seek opportunities to defer or re-phase planned spend; identify owners of each income growth, savings initiative to ensure accountability with regular review; re-shape and re-focus each major activity recognising the need to support staff from new ways of working to old ones; onus is on all managers across the organisation to ensure that staff are complying with agreed processes and procedures; increase the profile of and activity on workforce planning.

5.8 Monitoring the FRP

A Recovery Plan Monitoring Committee will be established to monitor the milestones associated with the FRP and to regularly monitor progress of the implementation and reporting associated with the FRP. The Committee will report to the Board, so as there is a

| [direct and immediate route if there are any issues,](#) and will be comprised of four independent Board members, a staff or Trade Union Board member and a student Board member.

An implementation plan is attached at appendix 2 that sets out the key activities involved in approving and implementing the FRP with owners and indicative timescales.

During 2024/25 the UHI Perth Board agreed to review the key strategic indicators that monitor organisational performance. This will be tabled at the Board meeting in cycle 1 and will include indicators that measure performance against the FRP to ensure that our vision and strategic objectives are still being achieved.

**Appendix 1 – Baseline budget for 2025/26 and plans for the following two years – version 3
tabled at the Board meeting on 25 June 2025**

	Draft Budget 25/26	Approved Budget 24/25	Variance	Plan 26/27	Plan 27/28
Income	£'000	£'000	£'000	£'000	£'000
Academic					
FE Teaching Grant	8,750	8,487	263	8,750	8,750
Student Support	2,410	2,340	70	2,410	2,410
SFC/RSB Grants	612	874	(262)	288	288
HE Teaching Grants	7,251	6,676	575	7,251	7,251
Tuition Fees	2,616	2,980	(364)	2,616	2,616
SDS Contracts	511	535	(24)	511	511
International Income	1,473	1,211	262	1,473	1,473
Other Income	443	252	190	344	345
	24,066	23,355	711	23,645	23,646
Commercial					
Catering/Residences	1,281	1,080	201	1,305	1,321
Other Income	70	176	(106)	68	68
ASW	860	700	160	885	910
	2,211	1,956	255	2,258	2,300
Total Income	26,277	25,311	966	25,902	25,945
Staff Costs	18,335	16,944	1,391	18,834	19,463
Contracts & Timesheet	858	1,101	(243)	885	913
VS & Pension Strain	0	823	(823)	0	0
Total Staff Costs	19,193	18,868	325	19,720	20,375
Travel & Subsistence	140	221	(81)	143	143
Training & Other staff costs	102	153	(51)	107	107
Course costs & exam fees	1,920	1,413	507	1,715	1,634
Supplies & Services	1,861	262	1,599	1,793	1,795
ICT	619	765	(146)	720	761
Property costs	1,844	1,911	(67)	1,900	1,930
Legal & Admin	595	571	24	607	605
Bursary costs	2,410	2,340	70	2,410	2,410
Finance costs	84	98	(14)	88	89
Total Non-Staff costs	9,576	7,734	1,842	9,483	9,475
Net Deficit	(2,492)	(1,291)	(1,200)	(3,301)	(3,905)

Appendix 2 - Implementation Plan

			AY 2025/26												AY 2026/27
Ref	Activity	Who	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
1	Recommend changes to FRP prior to Board meeting	F&RC	20th												
2	Approve FRP/ recommend changes	Board	27th												
3	Approve FRP/ recommend changes	RSB													
4	Approve FRP	SFC													
	Implementation of FRP														
	Staff reductions														
5	Collective consultation process	Principal/ HR	12th												
6	Individual consultation	Principal/ HR													
7	Apply for an extension to the voluntary severance scheme	Principal/ HR													
8	Current voluntary severance scheme ends		31st												
9	Staff taking VS depart	Principal													
	SLT recruitment														
10	Advertise for Depute Principal and CFO	Principal	7th												
11	Interview for Depute Principal and CFO	Principal/ Board	27 & 29th												
12	Start new roles	DP/CFO													
13	Recruit for Principal and Chief Executive	Board													
14	Contract ends	Interim Principal												31st	
	Income growth and non-staff savings														
15	Implement FRP actions	SLT													
16	Issue budgets to budget-holders that include FRP changes	Finance													
17	Develop other activities identified in advance of AY 2026/27	PLG													
18	Proposed transfer of Centre for Mountain Studies	Principal							27th						
	Monitoring of FRP														
19	Prepare monthly forecasts including cashflow	Finance													
20	Monitor the FRP	RPMC		22nd	20th	17th	11th	26th	16th	16th	20th	18th	8th		
	Prepare plans for future years														
21	Prepare 2025/26 budget & plans for next 2 years	PLG/ Finance													
22	Recommend approval of budget to Board	F&RC										26th			
23	Approve 2026/27 budget	Board											16th		
24	Submit FFR (Financial Forecast Return) for 26/27 to SFC	CFO											30th		

F&RC – Finance and Resources Committee	RSB – Regional Strategic Body	SFC – Scottish Funding Council
SLT – Senior Leadership Team	PLG – Perth Leadership Group	RPMC – Recovery Plan Monitoring Committee

SUPPLEMENTARY INFORMATION TO PAPER 1 – STUDENT RECRUITMENT

(All figures correct to Friday 22 August 2025, and subject to daily change.)

1. Further Education

We are targeting 1051 FE FT students. Those who have been given offers, invited to induction and therefore expected to see totals 1083 (+32).

By exception, here are the areas that are not reaching target for now:

- Science (target 69, expected 60) – more applicants in the pipeline
- Built Environment (target 127, expected 118) - more applicants in the pipeline
- Sport (target 52, expected 46) – unlikely to meet target
- Computing (target 38, expected 36) – more applicants in the pipeline
- Hospitality (target 48, expected 42) – unlikely to meet target
- Beauty (target 58, expected 47) – unlikely to meet target

With regards to SCP, we had targeted a number of 384 school pupils, and expected to arrive is 389 (+5). This is a really good position as there were 5 courses originally planned for that did not recruit but we have managed to make up the numbers by demand on other SCP courses. We also have a new September SVQ C&J course (Modern Apprenticeships), that were not planned, and this does attract substantial credits.

If all these expected numbers turn into actual enrolments, we will be in a good position with regards to our credits, where we will be meeting (or exceeding) our target.

2. Higher Education

Excluding controlled as well as the UCS targets, our FT FTE target for all other UG courses is 1354

Those who have been given offers, invited to induction and therefore expected to see totals 1368 (+14)

By exception, here are the areas that are not reaching target for now

- Early Years (target 50, expected 47)
- Humanities and Social Sciences (target 175, expected 154)
- Beauty (target 48, expected 43)
- Sport (target 153, expected 145)
- Science (target 18, expected 14)
- Aircraft (target 63, expected 58)

It is unlikely that any of the above will meet target as there are very few outstanding applications. However, there are a few courses, where interviews/decisions are still coming in, so this will support in the overall achievement to target.

NOTE 1: information is still coming through the system re: outcomes from resits, and information is still coming through for at least one course re: decisions on interviews that were held most recently.

NOTE 2: UCS target 77, expected 59

NOTE 3: BAH FNT, target 74, expected 59 (but there are more PVG applications to come through the system which will be holding up those who can commence their studies)

Committee Cover Sheet

Paper No.3

Name of Committee	Extraordinary Board of Management
Subject	Standing Orders – Temporary Provisions
Date of Committee meeting	27/08/2025
Author	Ian McCartney, Clerk to the Board
Date paper prepared	21/08/2025
Executive Summary Please provide a concise summary of the Paper outlining the purpose, impact and recommended future actions if approved	Paper seeks Board permission around temporary provisions for suspension of Standing Orders
Committee Consultation Please note which Committees this paper has previously been tabled at, and a brief summary of the outcomes/actions arising from this.	N/A
Action requested	<input type="checkbox"/> For information <input type="checkbox"/> For discussion <input type="checkbox"/> For endorsement <input checked="" type="checkbox"/> For approval <input type="checkbox"/> Recommended with guidance (please provide further information, below)
Strategic Impact Please highlight how the paper links to the Strategic Objectives of UHI Perth or the UHI Partnership: Strategic-Plan-2022-27.pdf If there is no direct link to Strategic Objectives, please provide a justification for inclusion of this paper to the nominated Committee.	n/a – required for effective conduct of Board business

Committee Cover Sheet

Resource implications Does this activity/proposal require the use of College resources to implement? If yes, please provide details.	No
Risk implications Does this activity/proposal come with any associated risk to UHI Perth, or mitigate against existing risk? If yes, please provide details.	No
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 Click or tap here to enter text.
Status (ie confidential or non-confidential)	Non-confidential

Committee Cover Sheet

Freedom of Information

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

Please select a justification from the list, below:

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

Further guidance on application of the exclusions from Freedom of Information legislation is available via: <http://www.itspublicknowledge.info/ScottishPublicAuthorities/ScottishPublicAuthorities.asp>

Committee Cover Sheet

Temporary Provisions Around Standing Orders

Background

1. The UHI Perth Board of Management has recently suspended Standing Order 5.4 of the college's Governance Manual to permit the calling of Extraordinary meetings of the Board of Management with immediate notice;
2. The most recent suspension of Standing Order 5.4 was extended to the Scheduled Board of Management meeting on 07 October 2025;
3. The Recovery Plan Monitoring Committee has been established to monitor progress of the college's Financial Recovery Plan, and will be meeting approximately once per month during AY 2025-26;
4. Recovery Plan Monitoring Committee should have the ability to call an Extraordinary meeting of the Board of Management should this Committee determine that immediate Board action is required between scheduled Board of Management meetings.

Proposal

The current period of suspension of Standing Order 5.4 be extended to the final Scheduled Board of Management meeting of AY 2025/26 (ie 16 June 2026), on the proviso that an Emergency Meeting of the Board of Management can only be called at the behest of the Recovery Plan Monitoring Committee, with the agreement of the Chair of the Board of Management.

BOARD OF MANAGEMENT

Paper 4

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