

Extraordinary Board of Management

Agenda

Meeting reference: Board2025-26/E01

Date: Thursday 18 December 2025 at 4:00pm

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	Final Budget 2025/26	Depute Principal (Operations)	Depute Principal (Operations)	Paper 1
5	Any other Business		Interim Chair	
6	Date and time of next meeting: <ul style="list-style-type: none"> 19 January 2026 	Clerk		

Committee	Extraordinary Board of Management
Subject	2025/26 Final Budget
Date of Committee meeting	18/12/2025
Authors	Lynn Murray, Depute Principal – Operations Fiona Cameron, Interim Director of Finance
Date paper prepared	01/12/2025
Executive summary	<p>The paper recommends that Board approves the 2025/26 final budget, which includes adjustments as a result of the Financial Recovery Plan (FRP).</p> <p>Board is also asked to note the impact of FRP adjustments on the plans for the following two years.</p> <p>Appendix 1 – Final budget 2025/26 Appendix 2 – Revised plan 2026/27 Appendix 3 – Revised plan 2027/28</p>
<p>Committee Consultation</p> <p>Please note which Committees this paper has previously been tabled at, and a brief summary of the outcomes/actions arising from this.</p>	<p>The baseline budget was approved by the Board on 30 June 2025 and the FRP was approved by the Board on 27 August 2025.</p> <p>The revised figures for the 2025/26 budget and following two years were tabled at the Finance & Resources Committee meeting of 25 September 2025 to show the budget that forecasts would be monitored against if the RSB approved the FRP.</p> <p>This paper was endorsed by Finance & Resources Committee at the meeting held on 08 December 2025</p>
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)

<p>Risk implications</p> <p>Does this activity/proposal come with any associated risk to UHI Perth, or mitigate against existing risk?</p> <p>Authors must identify: (a) the relevant risk(s) from the ERM Risk Register linked to the paper; and (b) the Board-approved risk appetite level for each associated risk.</p> <p>If yes, please provide details</p>	<p>Yes</p> <p>(a) Financial – If UHI Perth doesn't put in place a budget and regularly monitor forecasts against it, we will not know progress against achieving the Financial Recovery Plan to ensure that UHI Perth breaks even over a three-year period from 2025/26.</p> <p>(b) Minimal risk appetite.</p>
<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>Financial sustainability</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</p> <p>Significant resources are required from budget holders and the Finance Team to prepare the budget and plans for the following two years, provide forecasts and monitor budgets monthly. Budget holders are required to take actions to ensure the budget is met.</p>
<p><u>Equality and diversity</u></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>
<p>Status (e.g. confidential/non confidential)</p>	<p>Non-Confidential</p>

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:

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

For how long must the paper be withheld? Until the OBC and FBC are approved and funding awarded to begin the project. This would be for an estimated 12 months.

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

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

and

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

Background

1. The UHI Perth Board approved the 2025/26 baseline budget on 30 June 2025 and approved the Financial Recovery Plan (FRP) on 27 August 2025.
2. At the time of the last Finance and Committee meeting on 29 September 2025 and the Board meeting on 7 October 2025, it was understood that the Regional Strategic Body (RSB) and the Scottish Funding Council (SFC) would also need to approve the FRP before it was finalised. However, since then it has been clarified that, as the UHI Perth Board has approved the FRP, the RSB and the SFC would only provide feedback rather than approve. The RSB and the SFC have requested further information on delivery timescales and risk. The SFC has appointed PWC consultants to carry out due diligence on the assumptions and figures within the FRP.
3. The Auditor General prepared a statutory report (section 22 report) due to the failure of UHI Perth to set a budget for the financial year 2023/24. Even though approval of the FRP is in effect approval of the budget, it is considered prudent to have specific approval from the Board of the 2025/26 budget.

Approval of 2025/26 budget

4. Appendix 1 shows the revised and final budget for 2025/26 of £232k net deficit, which is made up of the baseline budget approved on 30 June 2025 and adjustments for income growth and cost savings proposed in the FRP approved on 27 August. Financial forecasts will then be monitored against the final budget for 2025/26.
5. Appendices 2 and 3 show the plans for the following two financial years – net surplus of £116k in 2026/27 and net surplus of £116k in 2027/28.

Recommendation

6. Board is asked to approve the final budget for 2025/26 of £232k net deficit at appendix 1 and recommend approval to the Board.
7. Board is also asked to note the impact of FRP adjustments on the plans for the following two years – 2026/27 and 2027/28.

Appendix 1 – Final budget 2025/26

	Draft Budget 25/26	FRP Adjustments	Final Budget 25/26
	£'000	£'000	£'000
Income			
Academic			
FE Teaching Grant	8,750		8,750
Student Support	2,410		2,410
SFC/RSB Grants	612	403	1,015
HE Teaching Grants	7,251	389	7,640
Tuition Fees	2,616		2,616
SDS Contracts	511		511
International Income	1,473		1,473
Other Income	443	92	535
	24,066	884	24,950
Commercial			
Catering/Residences	1,281		1,281
Other Income	70	2	72
ASW	860	46	906
	2,211	48	2,259
Total Income	26,277	932	27,209
Staff Costs			
Staff Costs	18,335	(679)	17,656
Contracts & Timesheet	858	(309)	549
VS & Pension Strain	0	123	123
Total Staff Costs	19,193	(865)	18,328
Non-Staff costs			
Travel & Subsistence	140	(14)	126
Training & Other staff costs	102		102
Course costs & exam fees	1,920		1,920
Supplies & Services	1,861	(5)	1,856
ICT	619	(134)	485
Property costs	1,844	(238)	1,606
Legal & Admin	595	(72)	523
Bursary costs	2,410		2,410
Finance costs	84		84
Total Non-Staff costs	9,576	(463)	9,113
Net Deficit	(2,492)	2,260	(232)

Appendix 2 – Revised plan 2026/27

	Draft Plan 26/27	FRP Adjustments	Revised Plan 26/27
	£'000	£'000	£'000
Income			
Academic			
FE Teaching Grant	8,750		8,750
Student Support	2,410		2,410
SFC/RSB Grants	288	171	459
HE Teaching Grants	7,251	691	7,942
Tuition Fees	2,616		2,616
SDS Contracts	511		511
International Income	1,473	250	1,723
Other Income	344	170	514
	23,645	1,282	24,927
Commercial			
Catering/Residences	1,305		1,305
Other Income	68	52	120
ASW	885	57	942
	2,258	109	2,367
Total Income	25,902	1,391	27,293
Staff Costs			
Staff Costs	18,834	(1,072)	17,762
Contracts & Timesheet	885	(532)	353
VS & Pension Strain	0	8	8
Total Staff Costs	19,720	(1,596)	18,124
Non-Staff costs			
Travel & Subsistence	143	(21)	122
Training & Other staff costs	107		107
Course costs & exam fees	1,715		1,715
Supplies & Services	1,793	(196)	1,597
ICT	720	(51)	669
Property costs	1,900	(89)	1,811
Legal & Admin	607	(73)	534
Bursary costs	2,410		2,410
Finance costs	88		88
Total Non-Staff costs	9,483	(430)	9,053
Net (Deficit)/ Surplus	(3,301)	3,417	116

Appendix 3 – Revised plan 2027/28

	Draft Plan 27/28	FRP Adjustments	Revised Plan 27/28
Income	£'000	£'000	£'000
Academic			
FE Teaching Grant	8,750		8,750
Student Support	2,410		2,410
SFC/RSB Grants	288	90	378
HE Teaching Grants	7,251	691	7,942
Tuition Fees	2,616		2,616
SDS Contracts	511		511
International Income	1,473	750	2,223
Other Income	345	203	548
	23,646	1,734	25,380
Commercial			
Catering/Residences	1,321		1,321
Other Income	68	82	150
ASW	910	68	978
	2,300	150	2,450
Total Income	25,945	1,884	27,829
Staff Costs	19,463	(1,187)	18,276
Contracts & Timesheet	913	(696)	217
VS & Pension Strain	0	0	0
Total Staff Costs	20,375	(1,883)	18,492
Travel & Subsistence	143	(21)	122
Training & Other staff costs	107		107
Course costs & exam fees	1,634		1,634
Supplies & Services	1,795	(254)	1,541
ICT	761	38	799
Property costs	1,930	92	2,022
Legal & Admin	605	(109)	496
Bursary costs	2,410		2,410
Finance costs	89		89
Total Non-Staff costs	9,475	(254)	9,221
Net (Deficit)/ Surplus	(3,905)	4,021	116