

Finance & Resources Committee

Minutes

Meeting reference: F&R2024-25/03

Date: Wednesday 19 March 2025

Location: ASW Room 961

Members present: Graham Watson, Chair
Chris Lusk, Board Member
Elaine Piggot, Board Member
Richard Fyfe, Staff Board Member
Xander McDade, Student Board Member
Margaret Cook, Principal

In attendance: Lorenz Cairns, Depute Principal (Academic)
Lynn Murray, Deputy Principal (Operations)
Katy Lees, Director of HR and Organisational Development
Jill Martin, Director of ICT
Gavin Stevenson, Director of Finance
Gavin Whigham, Director of Estates
Ian McCartney, Clerk to the Board

Apologies: Mary Fraser, Board Member
Jenni Harrison, Board Member

Chair: **Graham Watson**

Minute Taker: Ian McCartney

Quorum: 4

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MINUTES

Item		Action
1.	Welcome and Apologies Chair welcomed everyone to the meeting and noted apologies.	
2.	Additions to the Agenda There were no additions to the agenda.	
3.	Declaration of Conflict of Interest in any Agenda Item Graham Watson declared an interest as Directors of AST.	
4.	Minutes of Meeting of Finance & Resources Committee. 05 December 2024 The minutes were approved as a true and accurate record of the meeting.	
5.	Matters Arising from previous minutes Board Member queried expenditure around lift repairs noted in Item 8, given that costs appeared to be in excess of threshold for approval. Vice Principal (Operations) advised that an SFC capital grant had been applied for and received therefore the amount was covered. Board Member stressed that this item should still have come to Committee for approval. Director of Estates noted that the matter had been through an APUC tender process but apologised that this hadn't been brought to Committee. Chair expressed concern that appropriate governance arrangements were not being followed, and requested that procedures to be reviewed and retrospective approval to be sought. Board Member suggested Internal Audit to be made aware of issue to advise on any course of action to be followed re potential flagging of issues to appropriate parties. Committee AGREED these courses of action.	Vice Principal (Operations) /Clerk
6.	UHI Perth Recovery Plan Principal noted that the discussion around key issues at the recent Board Development session had been helpful feedback allowing SLT to produce recommendations, and noted that a full paper was being prepared for the Board of Management meeting on 02 April. Student Board Member queried what level of detail was to be expected in the final Plan, including around the HE proposals, to assist Board in its decision-making. Principal noted that removing	

	<p>HE completely effectively means the college cannot function in its current guise due to reduced funding, but can still be used as a bargaining tool in discussions around the top-slice. Depute Principal (Academic) noted that the average income per HE student amounts to around £6,200, but after top-slice this is reduced to approx. £4,000, therefore the college, in proposing a “franchise” option, would effectively be asking UHI to provide more cash per head with a reduced contribution via top-slice.</p> <p>Chair advised that there was no mileage in asking for a reduced top-slice therefore college has to demonstrate what dropping HE would mean and then quantify what college’s proposals would be in order to create realism for discussions further down the line. Chair noted that the Recovery Plan is in effect the first stage of a number of discussions to reach the position of a viable UHI Perth, as transformation won’t be quick, therefore the Recovery Plan needs greater nuance.</p> <p>Depute Principal (Academic) stressed that there was no detail available on how a “franchise” model would work. Principal noted that if Board require to see this option in the Recovery Plan, SLT will produce, however there is in effect a circular argument around finances with EO with no obvious solution to break this cycle. Board Member recognised issues, but are asking SLT for some out-the-box thinking including some short-term solutions to reduce expenditure.</p> <p>Student Board Member clarified that the original query related to the level of detail on all options being proposed, and would hope to see detailed proposals on how UHI Perth can get the best value out of the top-slice, and this requires an understanding of the numbers. Depute Principal (Operations) noted that the level of detail around items under UHI Perth’s control remained the same as per presentation previously provided, however the Plan would contain recommendations and risks for each of these items. Board Member noted that Board’s expectations were that the next iteration of the Plan would provide information around numbers, pros/cons and impacts at a reasonably detailed level.</p> <p>Depute Principal (Academic) noted that some out-the-box options had previously been explored/tried but needs willingness of UHI to move on these options and there is a need to continually challenge UHI around issues such as the top-slice, therefore options are limited to those within UHI Perth’s own sphere of influence.</p> <p>Depute Principal (Operations) advised that UHI were speaking to UHI Perth next week having seen the draft. Board Member queried whether there were any suggestions to work with UHI to take things forward cost-effectively. Depute Principal (Academic) stressed that such solutions start with hard conversations. Principal advised that the Transition Project was the only option available but there are challenges with the timescales and the college is</p>	
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	<p>running out of road to save money through working together; figures could be provided around costs and impacts, however these are likely to damage the student experience and there is no money to invest.</p> <p>Chair noted ongoing negotiations between UHI and SFC and the scale of the challenge has been recognised, however there may be a need to reset UHI Perth's goals as to what needs to be achieved.</p> <p>Principal noted that the paper would be revisited based on the comments provided prior to being issued for Board. Depute Principal (Operations) requested a level of realism as to what could be achieved in the time available before papers were due to be issued.</p> <p>Committee expressed comfort that the full Recovery Plan paper may require to be issued late to allow review to meet Board's expectations around having information to allow an informed decision at the Board meeting.</p> <p>Committee requested that SLT review what is to be presented to Board Meeting on 02 April, and agreed that a high-level paper be issued with Board Papers followed by a more detailed paper by afternoon of 31 March to ensure the Board have the level of detail they are looking for.</p>	
<p>7.1</p> <p>& 7.2</p>	<p>UHI Perth Management Accounts: Year to 31 January 2025</p> <p>UHI Perth Financial Forecast to 31 July 2025</p> <p>Depute Principal (Operations) presented Papers 3 and 4, noting that errors had been made in the preparation of the budget which had resulted in a significant error in the Catering figures of around £0.7m, for which apologies were extended. This has resulted in the deficit forecast moving from £1.2m per the original budget to a forecast deficit of £1.8m.</p> <p>Depute Principal (Operations) reported that the matter has been highlighted to EO to be passed on to SFC, and guidance is awaited from this process.</p> <p>The matter has impacted on cashflow, resulting in a £1m cashflow deficit forecast for July 2025.</p> <p>Director of Finance advised on the processes that had been followed in this matter, and Finance staff had identified legacy system issues around budgeting which were being addressed, with a view to improving accuracy and timeliness of figures.</p> <p>Director of Finance noted that variances had been identified within the forecast and there is still some work to be done on the income</p>	

	<p>side, however the numbers were robust in terms of actuals.</p> <p>Board Member queried why it had taken so long for revised catering number to come through. Director of Finance noted that there were legacy system issues and the focus in this area had been on income levels, therefore it had taken longer to produce a reliable number.</p> <p>Board Member queried why the pension strain number was yet again more than expected. Director of Finance advised that a large percentage of this figure was around a single individual and the assumptions hadn't included the size of strain that crystallised.</p> <p>Board Member queried when college knew about these additional costs. Depute Principal (Operations) advised that the full extent of the costs became known when 3 staff completed the VS process, and advised that some areas of the college were still due to conclude consultations. Director of HR noted that the minimum and maximum amount of the pension strain costs around these outstanding areas, depending on outcome, varied between £zero and £150,000.</p> <p>Board Member expressed surprise that the total amount of strain being paid fell within the total budget for savings. Principal suggested that Internal Auditors could be requested to work through the processes utilised and ensure lessons were learned.</p> <p>Student Board Member requested more information on what college could knowingly have predicted as it is difficult to understand why maximum costs could not have been known at the start of the process. Board Member added that the purpose of VS is to save money, therefore the pension strain costs should have been part of the planning process.</p> <p>Board Member sought clarification, as it's in SLT's power to grant VS, whether anyone was turned down and whether pension strain was part of that decision-making process. Principal advised that there were refused VS applications due to operational reasons.</p> <p>Director of HR advised that in 2023/24, 83 applications had been approved and 39 rejected, and that most applications are not in targeted areas. Director of HR further advised that any application where the severance and pension strain costs exceeded 24 months would require Remuneration Committee to seek approval from SFC via the RSB to permit this.</p> <p>Chair welcomed Principal's proposal to have Internal Audit look at processes to ensure appropriate governance is taking place and advise on any required changes; this should be undertaken with a degree of urgency. Depute Principal (Operations) not that Internal Auditors had already audited the initial VS process following complaints and the report had provided a clean bill of health for</p>	
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	<p>processes undertaken. Board Member suggested that consideration be given to pausing the VS scheme until review is concluded.</p> <p>Board Member expressed concern around the errors noted previously around the financial reports, while making appropriate allowances for the newness of the Finance Team, and sought reassurance going forward that the Finance Team are at full capacity and that excuses are no longer acceptable. Board Member also sought clarification on the costs of a review as discussed.</p> <p>Depute Principal (Operations) explained the reason for errors and expressed understanding around concerns, noting that, while a full Finance Team had been in place since February, it does take some time to bring everyone up to speed. Depute Principal (Operations) expressed confidence in the Team's ability to deliver going forward</p> <p>Chair summarised discussions around Papers 3 and 4, noting that Committee sought clarity around how budgeting errors had occurred, how pension strain costs had increased, and sought reassurance around Finance Team capacities.</p> <p>Committee AGREED to request that Internal Auditor review Finance Department around budgeting processes to allow lessons to be learned.</p> <p>Committee noted Papers 3 & 4.</p>	
8	<p>Estates Update</p> <p>Director of Estates presented Paper 5.</p> <p>Board Member queried whether EV chargers had been looked at as a potential income stream. Director of Estates noted that a quote had been provided however there was a large initial outlay of costs. Board Member suggested considering a partnership with EV providers which may cover any initial outlays but still allow an income stream.</p> <p>Committee noted Paper 5.</p>	
9	<p>HR Update</p> <p>Director of HR presented Paper 6, highlighting sickness absence rates, the Stress Survey and the launch of the annual Staff Survey.</p> <p>Student Board Member queried the latest developments around the Unison boycott. Director of HR noted that feedback had yet to be received.</p>	

	Committee noted Paper 6.	
10	Digital Transformation Update Director of ICT presented Paper 7, noting that the college currently operates 72 SmartBoard rather than the 68 recorded in the report. Committee noted Paper 7.	
11	Committee Meetings The following Committee minutes were presented for information and noted : <ul style="list-style-type: none"> • EDIT Committee, 21 November 2024 • EDIT Committee, 27 February 2025 • Perth Staff Group, 28 November 2024 • Perth Staff Group, 30 January 2025 	
13	Date & Time of Next Meeting <ul style="list-style-type: none"> • Wednesday 21 May 2025 	
14	Review of Meeting Committee confirmed that the meeting had been conducted in line with its Terms of Reference.	

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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 2018? **Yes** ☐ **No** ☒