Finance and Resources Committee

Agenda

Meeting reference: F&R2025-26/04
Date: Tuesday 26 May 2026 at 5:00pm
Location: Online
Purpose: Scheduled 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		Chair	
2	Additions to the Agenda		Chair	
3	Declaration of a Conflict of Interest in any Agenda Item			
4	Minutes of the Meeting of the Finance & Resources Committee held on 10 March 2026	Clerk	Chair	Paper 1
5	Actions arising from previous minutes		Chair	
6	**Items for Approval**			
*6.1	Contract Strategy – Water Management	APUC	Chief Financial Officer	Paper 2
7	**Financial Performance & Budgets**			
*7.1	Financial Forecast – Year to 31 July 2026 (as at 31 March 2026)	CFO/Director of Finance	Chief Financial Officer	Paper 3
*7.2	Draft Budget 2026/27	CFO/Director of Finance	Chief Financial Officer	Paper 4
8	**Estates**			
8.1	Estates Update	Director of Quality & Resources	Director of Quality & Resources	Paper 5

9	**Human Resources**			
9.1	HR Update	Depute Principal	Depute Principal	Paper 6
10	**Information Systems**			
10.1	Digital Transformation Update	Director of Quality & Resources	Director of Quality & Resources	Paper 7
11	**Committee Minutes** (for noting by Committee)			
11.1	EDIT Committee • 26 February 2026			Paper 8
11.2	Perth Staff Group • No minutes available			
11.3	JNC Committees • No minutes available			
12	**Date and Time of next meeting** • tbc		Clerk	
*13	**Review of Meeting & Terms of Reference** (Committee to check against the Terms of Reference to ensure all competent business has been covered)			Paper 9

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Finance & Resources Committee

Minutes

Meeting reference: F&R2025-26/03
Date: Tuesday 10 March 2026
Location: Online

Members present: Ian Robotham, Chair
Sarah Cordwell, Board Member
Deirdre Joy, Board Member
Alistair Wylie, Interim Chair of Board
Catherine Etri, Interim Principal
Patrick O'Donnell, Staff Board Member

In attendance: Jill Elder, Depute Principal (Item 9 only)
Gail Dunn, Chief Financial Officer
Fiona Cameron, Interim Director of Finance
David Gourley, Director of Learning Strategies, Enhancement & Resources
Ian McCartney, Clerk to the Board

Apologies: Andi Garrity, Student Board Member

Chair: **Ian Robotham**

Minute Taker: Ian McCartney

Quorum: 4

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. Item 9 would be taken at the earliest opportunity due to a diary clash affecting the Depute Principal.	
3	**Declaration of Conflict of Interest in any Agenda Item** There were no declarations made.	
4a	**Minutes of the Meeting of the Finance & Resources Committee, 08 December 2026** Committee noted an error in the recording of the Chair of this meeting. Clerk to correct. The minutes were otherwise approved as a true and accurate record of the meeting.	Clerk
4b	**Minutes of the Extraordinary Joint Meeting of Finance & Resources and Audit Committees,13 January 2026** The minutes were approved as a true and accurate record of the meeting.	
5	**Matters Arising from previous minutes** There were no outstanding action from the Scheduled Meeting of 08 December 2025. All actions from the Extraordinary Meeting of 13 January 2026 had been tabled at the Board of Management Meeting on 19 January 2026. Chief Financial Officer noted that an action had been added to the Year-End Task List around Tayside Pension Fund, and advised that compensation is still being discussed as part of ongoing fees discussion with External Auditors. Board Member requested that this matter is carried forward to the next meeting for update.	

6.1	**Replacement Kitchen Equipment** Committee discussed and approved a procurement quotation for replacement kitchen equipment, noting that costs of remaining equipment disposal may be incurred, and the insurance claim is still being processed with AVIVA. Committee **APPROVED** Paper 2	
7.1	**Financial Forecast – Year to 31 July 2026 (as at 31 January 2026)** Committee received and scrutinised half-year management accounts and estimated outturn to July 2026. Committee were advised that, in addition to the information presented, the conflict in the Middle East is likely to pose a risk in terms of increasing cost base. Committee were advised that monthly forecasting will commence shortly and will be issued to Board once format agreed. Director of Finance to issue to F&R in order to agree format, then issue to Board. Committee discussed ongoing conversations with SFC re additional income to support course delivery following the administration of AST, however the SFC's position has been adopted for forecasting purposes. Committee noted the ongoing review in ASW, however changes will take time to implement therefore ASW will not make target income levels this FY. Committee **NOTED** Paper 3.	
7.2	**Mid-Year Review** Depute Principal (Operations) presented Paper 4, which represents the first forecast available for the current FY. Committee **NOTED** Paper 4.	
8	**Estates Update** Director LSER presented Paper 5, and highlighted the ongoing issues caused by the flood in the Brahan Lecture Theatre, noting the resultant effects on delivery of curriculum, which had resulted in the submission of a Priority Funding Bid to SFC. Director LSER advised that a bid is due to be submitted to Tay Cities Deal relating to campus improvements – details will be	

	provided to Board at the earliest opportunity given sensitivities related to certain aspects of the bid. Committee **NOTED** Paper 5.	
9	**HR Update** Depute Principal provided a brief verbal update on key HR-related matters for Board's information. Depute Principal apologised for lack of formal paper for Committee's consideration, and confirmed that a paper would be provided for all future meetings.	
10	**Digital Transformation Update** Director LSER presented Paper 6, which outlined 3 AI-related bids that had been submitted to the TCD Digital Skills Project (DigiTay), which would include funding for project management costs. Committee **NOTED** Paper 6.	
11	**Committee Minutes** Committee received and noted minutes for the following meetings: • EDIT – 20 November 2025 • Perth Staff Group – 05 November 2025 • Perth Staff Group – 20 January 2026 • JNC Lecturing Staff – 22 January 2026 • JNC Support Staff – 09 February 2026	
12	**Date & Time of Next Meeting** • Tuesday 26 May 2026 @ 5pm	
13	**Review of Meeting** Clerk presented Paper 8, which outlined required amendments to the Committee Terms of Reference following changes in nomenclature to management structures. Clerk noted that Board approval would also be required for these amendments. Committee **ENDORSED** Paper 8.	

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

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

Status of Minutes – Open ☑

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

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

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

Do the minutes contain items which may be contentious under the terms of the Data Protection Act 2018? **Yes ❒** **No ☑**

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Committee Cover Sheet

Paper No. 2

Name of Committee	Board of Management
Subject	Procurement Contract Strategy – Water Management System
Date of Committee meeting	26/05/2026
Author	APUC
Date paper prepared	22/05/2026
Executive Summary Please provide a concise summary of the Paper outlining the purpose, impact and recommended future actions if approved	UHI Perth has experienced a recurring water ingress problem within the Brahan Lecture Theatre and IT Suite and the most recent recurrence of this problem earlier this academic year has rendered these key facilities entirely unusable creating challenges for curriculum delivery and impacting student experience. Therefore, there is an urgent need to find a permanent fix for this issue to prevent further issues in academic year 2026/27. We have engaged the services of a specialist damp proof company (Richardson & Starling) to carry out a comprehensive survey and provide a report outlining a solution and comprehensive water management system to prevent further water ingress in the future. This report is expected to be completely imminently and will then be reviewed by UHI Perth / Turner & Townsend. Procurement cannot confirm the exact route to market at this stage; however, a contract strategy has been developed to outline the compliant options and allow the project to progress through the approval process. These are the compliant routes to market available to UHI Perth, regardless of the outcome of the survey. The strategy will then be updated with the final decision on the best route to market from the complaint options available as soon as the report from Richardson & Starling has been reviewed by UHI Perth and the external Consultant (Turner & Townsend). An indicative cost for the Water Management System was provided by Richardson & Starling at circa £320k for

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Committee Cover Sheet

	the waterproofing/water management scope itself. It has been advised that this does not include enabling works, strip-out, builders work, making-good, finishes, redecoration, drying, decant arrangements, or any wider refurb/compliance items that may be triggered once areas are opened up. The actual cost of the works cannot be fully anticipated until the report and proposal has been received from Richardson & Starling. In recognition of the significant impact on key college facilities the SFC awarded the UHI Perth an Emergency Capital Maintenance Grant in March 2026 of £505,545. The requirements of this grant require that the funding must be spent in this financial year and by no later than 31st July 2026. Whilst this award is very welcome it has also created a time pressure on UHI Perth to ensure the required works can be completed on an expedited timeline to prevent any risk of losing the emergency funding.
Committee Consultation Please note which Committees this paper has previously been tabled at, and a brief summary of the outcomes/actions arising from this.	n/a
Action requested	☐ For information ☐ For discussion ☐ For endorsement ☒ For approval ☐ Recommended with guidance (please provide further information, below)
Risk implications Does this activity/proposal come with any associated risk to UHI Perth, or mitigate against existing risk? If yes, please provide details	Key risks outlined in tender document Final decision re approval of tender will be required

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

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

Freedom of Information

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

Please select a justification from the list, below:

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

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

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

and

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

Contract Strategy

Agreement Title: Installation of Water Management System

Reference: CS-PC-42578

Framework Reference: TBC

Version Control

Version	Name	Date Completed	Comments
0	Dee Matthew	18/05/2026	First Draft

Spend (estimated)	Commodity/Service	Requestor
>£320k	Estates / Capital Projects	TW/DG

Summary
UHI Perth have a requirement to obtain a viable solution to manage the recurring water ingress within the IT suite and Theatre in the Brahan Building, There is an urgent requirement to determine the source of the water ingress and implement an effective solution. The spend noted above is a best estimate based on an indicative figure provided by Ricardson & Starling and does not include enabling works, strip-out, builders work, making-good, finishes, redecoration, drying, decant arrangements, or any wider refurb/compliance items that may be triggered once areas are opened up. The actual cost of the works cannot be anticipated until the report and proposal has been received from Richardson & Starling.

GDPR	No

If yes, GDPR Assessment Form must be completed by Stakeholder and DPO and attached to contract strategy. Please see attached GDPR Assessment Form.



Contract Strategy -GDPR Assessment.c

Project Process

Process to progress tender e.g. stakeholder consultation involvement of other dept e.g. Facilities:.

Task Name	Details
UIG Creation	Create a UIG ensuring all relevant members of staff and student representatives are in attendance to provide expertise and are on hand to complete the tender and contracting process. The following areas have been identified: • Procurement • Estates • Finance • Principal Office
Market Research	Procurement to conduct market research on routes to market.
Develop Tender Documents	Specifications and tender documents will be developed by lead stakeholders with UIG input and facilitated by procurement, documents will be shared with all internal interested parties to ensure completeness and correctness. The specification may include but not be limited to: • Building / Area Details • Supply, installation, testing, and commissioning of the system • Integration with existing building infrastructure • Any required modifications to pipework, tanks, pumps, or controls • Interfaces with BMS (Building Management System) • Maintenance and support period • KPI's
ITT Process	Dependant on route to market
Site Visit	It is advised that all interested parties attend a site visit

Evaluation	Evaluations will be conducted by selected members of the UIG.
Debrief and Award	Comprehensive debriefs will be provided to all unsuccessful bidders. The award will be published via the Find a Tender Service (FTS).

Project Team and Roles

Name	Role	Evaluator	Sign Off Required
Dee Matthew	Procurement / Commercial	Yes	Yes
Finance	Commercial Review	No	Yes
John Mcgee	Strategy & Tender document review	No	No
David Gourley	Strategy & Tender document review & tender Evaluation	Yes	Yes
Tessa Ward	Strategy & Tender document review & tender Evaluation	Yes	Yes
Tony McGregor	Strategy & Tender document review & tender Evaluation	Yes	Yes
Jill Elder	Strategy & Tender document review & final approval	No	Yes
Catherine Etri	Strategy & Tender document review & final approval	No	Yes
Gail Dunn	Strategy & Tender document review & final approval	No	Yes
F & R	Approval	No	Yes
Board	Approval	No	Yes

Procurement would recommend a minimum of 2-3 Technical evaluators for this project.

Current Status

The It and Theatre suites have been significantly damaged due to water ingress over a period of time, investigations concluded that the damage was caused by ground water ingress into the building from the landscape surrounding and above the Premises, with water entering the Premises as a result of damage to the tanking system.

UHI Perth are currently awaiting the results of a survey provided FOC by Richardson & Starling to determine the exact cause of the water ingress and propose a solution / way forward.

A copy of the report provided by Jenson Hughs who were instructed by UHI's Insurers to carry out an independent forensic investigation is included below:



JH Report - 20251210.pdf

1.1.1 Project Objectives/Benefits/Opportunities

Objectives

- To secure the best possible price for the works / services required by UHI Perth.
- To identify suppliers that can deliver the required level of quality within the timescales.
- To ensure adherence to internal and external procurement policies, government regulations.
- Value for Money (VFM): To achieve the best combination of cost, quality, and sustainability.
- Ensure funding criteria is adhered to and followed to ensure no monies can be reclaimed during funding audits.

Benefits

- Cost efficiency through competitive bidding.
- Improved supplier quality the evaluation process ensures that suppliers meet pre-defined quality standards, ensuring higher performance and reliability.
- Enhanced accountability, a formal tender process creates documentation of decision-making, which provides accountability and traceability.
- Relationship building the tendering process provides an opportunity to engage with new suppliers and potentially establish long-term partnerships.
- Compliance and legal protection, a proper tender processes can protect organisations from legal challenges or accusations of unfair practices, ensuring compliance with legal requirements.

Opportunities

- Sustainability Initiatives included as standard in the tender process such as encouraging eco-friendly practices and sustainable sourcing from suppliers.
- Innovative solutions
- Final solution to a long outstanding issue with water ingress within the Theatre and IT suite.

Spend

This is a new requirement brought about by the water ingress of the IT & Theatre, quotation / information already obtained by the Transformation officer are estimating cost to be circa £320k (estimated figure provided by R&S) for a suitable Water Management System.

This project is funded by additional monies provided from the Scottish Funding Council,

Market Research

Market research is an important phase in the procurement process, this allows us to gather information for the tendered commodity.

This can provide information on and assist with identifying the key suppliers who can fulfil our requirement, providing an understanding of supplier capabilities and expertise. And provide vital information on risks.

This is a complex project which may have a number of layers required within the solution and may turn out to be of a specialist nature.

Procurement have investigated options for routes to market based on the current information and have identified the following frameworks which may provide a viable option, the final route to market can only be determined once the survey report is completed by Richardson & Starling and the cause and possible solution identified.

EFM1062 AP - Road Surfacing & Minor Civil Engineering Works- this framework would cover any works to drainage and additional drainage requirements.

Minor Works Framework NP827- this framework covers Scottish Minor Building Works & covers NHSS construction projects with a value less than £4.5m but greater than £50k where a multi-discipline contractor is required.

SCAPE- Civil Engineering Framework- this framework offers a route to market via one supplier / partner only. It should be noted additional works would be required if this was the chosen option, UHI are currently not set up to access these frameworks.

Should none of the frameworks provide a suitable compliant route to market then an Open Tender would be required, the timescales for this a significantly longer than if using a framework.

Procurement are currently liaising with specialist estates colleagues at APUC to determine a quick and compliant way forward for the project.

A main outstanding part of this project is the survey and subsequent report currently being undertaken by Richardson & Starling once the report has been received this should offer more clarity on the scope of the works required.

Scope of Requirement

A draft specification will be produced by lead stakeholders and facilitated by procurement, a survey is /has been carried out by Richardson & Starling to ascertain the full requirement, this survey was offered FOC. It should be reiterated that a full comprehensive specification / scope cannot be prepared until the results and survey report has been received.

Contract Duration:

This requirement is hoped to be completed during the summer break to minimise the disruption to both staff and students and align with the funding requirements from the SFC.

These project will be overseen by both John McGee and Tessa Ward

Sustainability / CSR Consideration

Suggested below:

- Modern slavery statement (where relevant).
- Living Wage providers
- Fair Work Practices.
- Apprenticeships and Training Programs:
- Transparency and Anti-Corruption Policies
- Professional Development
- Local Community Support

Risk/Barriers Assessment

All procurements contain risks that may impact on their progress therefore it is important to identify and assess risks so that they can be managed to prevented from becoming an issue.

Highlight all known risks no matter how low they may appear, this will make the institution aware of them to allow them to be addressed or mitigated from the beginning. Stakeholders should add to this list.

Some points to consider, timelines, implementation, exit strategies, commercial aspects over contract term, lotting requirements, sustainability, GDPR, market availability, current economic situation i.e. Brexit, global situations i.e. Covid etc.

Description	Probability /Impact	Actions
Specialist works	High	there is a risk that the project is much more complex than anticipated and would not be covered under any of the national frameworks.

Market Engagement	Medium	Market engagement may be restricted due to the tight timescales, specialist nature of the project.
Hidden Costs	Medium	Hidden costs may be included within the bid. Provide a fully detailed costing structure for the bidders to complete at the Tender stage. Stakeholders must ensure comprehensive pricing schedule.
Contract Mobilisation	Medium	Suppliers may struggle to mobilise and complete within the tight timescales

Evaluation Methodology

The evaluation process will be determined by the route to market, should a compliant national framework be used then the criteria will be determined by this, should an open tender be required then UHI Perth stakeholders will determine the criteria with assistance / guidance form procurement.

Pricing Strategy

The pricing strategy will be determined by the outcome of the survey provided by Richardson & Starling and will be developed fully when this information is available.

Technical Questions:

Technical questions will be determined by the outcome of the survey provided by Richardson & Starling and the agreed route to market, technical questions will be developed fully when this information is available.

Procurement Route

UHI Perth Procurement Step by Step Guide

£5,000 over 4 yrs(Devolved)	**£5,000 to £25,000** over 4 yrs(Devolved)	**£25,000 to £49,999** over 4 yrs(Devolved)	**£50,000 to £173,100** over 4 yrs Procurement Reform Act 2014 (Regulated)	> **£173,100** over 4 yrs. Government Procurement Agreed (GPA) Regulated
A Single Quotation Use of National Framework or Local contract **Estimated Processing Time: 1-3 Days**	3 Written Quotations Use of National Framework or Local contract **Estimated Processing Time: 2-4 Weeks**	Low Value Tender (via PCS Quick quote) Use of National Framework, procurement will facilitate a tender **Estimated Time: 4-8 Weeks**	Formal Tender (via PCS) Use of National Framework, procurement will facilitate a tender **Estimated Time: 2-4 Months**	Formal Tender (Via PCS / PCS-T) Use of National Framework, procurement will facilitate a tender **Estimated Time: 3-6 Months**
Procurement will provide links / copies of all and any further documentation you may be required to complete and provide guidance on completion of this documentation.				

The contract value is above £100,000, the category spend for the commodity is over £100,000 thus the exercise is governed by the Procurement (Scotland) Regulations

and requires either an Open Tender process advertised on PCS or a call-off from a National Framework.

Procurement Route Summary

Due to the tight timescales and urgency of the project the quickest compliant route to market would be to award via a framework. The available routes to market will be determined by framework chosen, route to market options are outlined below for the frameworks mentioned above:

EFM1062 AP- Road Surfacing & Minor Civil Engineering Works

Route to Market	Description
Ranked Direct Award	• Quickest route to market • Deal with one Contractor • Limited to capped pricing agreed at Framework Level • Reduced requirement for Invitation to Quote (ITQ) documentation. • Reliance on Framework ITT process for identifying Contractor who performed best
Desktop Evaluation	• Quick route to market • All appointed contractors invited to participate. • Use desktop calculator provided. • Ability to alter weightings and questions based on exact requirements. • Ability to obtain reduced pricing from Contractors.
Mini Competition	• All appointed contractors invited to participate. • Planning required for preparation of documents and longer timescales for ITQ process. • Good competitive route for reduced pricing • Results in the most tailored response to your institution's specific requirements.

NP827/23 - Scottish Minor Building Works

Route to Market	Description
Ranked Direct Award	• Quickest route to market • Deal with one Contractor • Limited to capped pricing agreed at Framework Level • Reduced requirement for Invitation to Quote (ITQ) documentation. • Reliance on Framework ITT process for identifying Contractor who performed best
Mini Competition	• All appointed contractors invited to participate. • Planning required for preparation of documents and longer timescales for ITQ process. • Good competitive route for reduced pricing • Results in the most tailored response to your institution's specific requirements.

SCAPE- Civil Engineering Framework

Direct award to only supplier / Partner

Should the requirement be particularly specialist and no framework is available to cover this then due to the estimated value of the project (above the GPA threshold) the compliant route to market would be a full open tender, this can be a lengthy process requiring full tender documentation including comprehensive ITT including specification / scope of works, technical questions and pricing schedule to be developed by the stakeholders and or an external contractor facilitated by procurement.

This process can take significantly longer depending on the classification of the project (works or Goods / services) this will be determined by the "main purpose" of the project and will be clearer once the survey and report has been received form Richardson &Starling.

Type of Tender: TBC on receipt of full R&S report

Framework Details: TBC on receipt of full R&S report

Method of Advertising: TBC depending on route to market

Procurement note at this point in time the exact route to market can not be advised as currently there is no scope of works, however the methods outlined above are

the available compliant routes to market and once the full information is available the best option form the above will be chosen.

Contract Management
It is intended that implementation and use of a standardised contract management approach will assist in streamlining processes, improve risk and opportunity awareness and management, improve supplier relationship management and increase contract compliance.

There are three levels of contract management being Routine, Managed and Strategic. Procurement has identified that the level of contract management for this Contract will be **Strategic**.

A Strategic contract management approach means that the Contractor will:

- Supply all the requested management and performance information in the requested formats and timeline, unless otherwise agreed in advance with the Authority's Procurement Manager.
- Attend each contract review meeting with the Authority as requested by the Procurement Manager (minimum of two per year unless determined otherwise by the Procurement Manager).
- Support the Procurement Manager in early identification of risks and/or opportunities associated with the delivery of the agreement.
- Meet defined Key Performance Indicators (KPI's) and Service Levels (optional) as set out in the ITT.
- Work proactively with the procurement manager to ensure contract compliance and maximise contract uptake.

This project will be overseen by the following stakeholders:

Transformation Officer – John Mcgee
Estates Manager- Tessa Ward

Stakeholders should advise if there is a requirement for an external project manager.

Procurement will facilitate where required.

Key performance Indicators:

The project will be monitored against Key Performance Indicators summarised below and specified in detail in the table below. The Contractor shall provide KPI information to the Authority's nominated contact as requested.

The KPI's will be provided by the lead stakeholders and added to the specification/ Scope.

Sample generic project KPI's have been provided below.

KPI	Category	Measure	Target	Date Source	Calculation Method
1	Service	Successful delivery of projects, to ensure that all works scheduled are delivered on time.	98%	No. of failures reported	100 - (no. of scheduled projects completed by timescale/total number of scheduled projects) x 100
2	Quality	Number of issues/defective works	5%	No. of unacceptable repairs	100 – (no of unacceptable repairs / total no. of completed contracts x 100)
3	Service	Number of Health and Safety Incidents	Minimal or Downward Trend	No. of incidents reported	100 - (no of incident reported / total no of visits) x 100
4	Administration	Invoice Accuracy	100%	No of credit notes issued / No of Invoices Issued	100 – (no of credit notes issued / total no. of invoices raised) x 100
5	Sustainability / Innovation	Increase in use of Low environmental Impact materials and better practices.	50%	Demonstration of successful increase in use of more sustainable materials and/or innovative practices	% Reduction on previous volume order history/increase in re-usable materials

				offered at call-off stage	

Summary

Institutions are requested to review the contract strategy and provide any information they may see fit to allow procurement to progress to tender.

By signing this document the institution and relevant stakeholders are approving the tender thus allowing procurement and stakeholders to progress the required as listed below.

The documents listed below will require to be developed by the relevant stakeholders and approved prior to inclusion in the tender documentation and published as a live opportunity.

- Specification including fully comprehensive statement of requirement.
- Technical Questions
- Pricing Schedule
- KPI's

Contract Strategy Approval and Sign-Off

By signing this contract strategy the institution and their representatives acknowledge the information provided within and commit to their full participation in the tender process by liaising with the Procurement team, providing all information as necessary.

Name	Signature	Date	Comments
Dee Matthew			This version of the contract strategy is based on the information available at this point in time (19/5/26) and has been generated to obtain relevant approvals due to the urgency of the requirement. As noted in various sections above the survey report for R&S is required to finalise the route to market. (as at 21/5/26 still awaiting the report form R&S)
Gail Dunn			
David Gourley			
Tessa Ward			
Tony McGregor			

Jill Elder			
Catherine Etri			
F & R			
Board			

Background to Strategy

This strategy is used in the planning stage of the procurement to determine how key issues will be addressed. It identifies and minimises risk and assists in ensuring all key factors have been considered when conducting the procurement leading to a fit for purpose and value for money positive outcome.

Once the strategy has been approved, the procurement facilitator will work with all relevant parties to draft the tender documentation to be issued to the suppliers including the finalised scope of requirements. This document will be approved by the evaluators in advance of publication.

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Paper No. 3

Name of Committee	Finance and Resources Committee
Subject	Financial Forecast to 31 July 2026 at 31 March 2026.
Date of Committee meeting	26/05/2026
Author	Gail Dunn, Chief Financial Officer Fiona Cameron, Interim Director of Finance Yemi Orioge, Finance Manager
Date paper prepared	18/05/2026
Executive Summary Please provide a concise summary of the Paper outlining the purpose, impact and recommended future actions if approved	The attached paper includes the full-year financial forecast to 31 July 2026 at 31 March 2026 of £2k surplus. The key points are: **Income and Expenditure** Against FRP the main areas that have not been achieved from Year 1 are: - Short course income £26k– This is mainly due to the Business area not seeing great demand for the courses offered. A new Governance, Growth & Change Manager has been employed and will take a lead on development of commercial income opportunities. - ASW £46k– Academy of Sports and Wellbeing saw a decline in pay as you go income and membership and is currently behind overall by £116k. Jill Elder is working with the ASW Manager to look at investment required and development opportunities. - Resource Group Funding from SFC £489k. This has been confirmed that this is an advance of Grant and therefore requires to be paid back to SFC. This has been removed from income and is shown as a loan on the balance sheet. Actual amount received from SFC was £500k. - Centre for Mountain Studies has not yet been transferred, although it is forecast to breakeven

	for the year, so is contributing positively in the current year. Discussions are ongoing. - Full FRP breakdown is on page 8. Other key points to note: Estates spending: SFC confirmed in January that CDEL monies could be used as RDEL - £650k. Contingency of £333k is included as previously agreed by the Board and this is currently forecast to be spent. Currently working with Estates and others on what work is required and what can be done before the end of July to ensure these funds are used. £505k received via SFC Emergency Fund to assist with repairs as a result of the flooding. This is not included within the financials presented as not determined exactly what works will be so some could be capitalised. Liaising with SFC to see if this funding can be carried forward, if works are not able to be actioned before end of July 26. We have been notified that legacy funding of £135k is expected from a local person's will. This has not been reflected in the financial position at this stage as we are not sure exactly when this will be received. **Balance Sheet** The balance sheet does not include any significant capital spend which could arise depending on the outcome of the use of the emergency funds noted above. The balance sheet includes provisions for 2018 Job evaluation of £3.76m and advance of grant funding from SFC of £2m which is not included in cashflow forecast. **Cashflow** Cashflow position is forecast to be £725k more than budget forecast. This is a mixture of additional income not included in budget, plus timing of spending of estates work in forecast but will not impact cashflow until Aug. Main income items are: - £262k release of 23/24 clawback - £300k post graduate income not in budget - 59k additional income from SFC re pay awards/ni

Committee Consultation Please note which Committees this paper has previously been tabled at, and a brief summary of the outcomes/actions arising from this.	N/A
Action requested	☒ For information ☒ For discussion ☐ For endorsement ☐ For approval ☐ Recommended with guidance (please provide further information, below)
Risk implications Does this activity/proposal come with any associated risk to UHI Perth, or mitigate against existing risk? 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. If yes, please provide details	Yes (a) Financial – If UHI Perth doesn't take identified actions and regularly monitor budget against forecast 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. (b) Minimal risk appetite.
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.	Financial Sustainability
Resource implications Does this activity/proposal require the use of College resources to implement? If yes, please provide details.	Yes Improved financial reporting will require significant resource from the Finance Team and budget holders.

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

Freedom of Information

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

Please select a justification from the list, below:

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

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

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

and

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

Monthly Management Accounts Pack
Year End Forecast for 31 July 2026
as at month end 31 March 2026

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Summary of Full Year Forecast Position as at 31 March 2026

	Baseline Budget 25/26	FRP Adjustments	Revised Budget 25/26	Forecast	Variance
	£'000	£'000	£'000	£'000	£'000
Income					
Academic	24,066	884	24,950	26,490	1,540
Commercial	2,211	48	2,259	2,165	(94)
Total Income	**26,277**	**932**	**27,209**	**28,655**	**1,446**
Staff Costs	19,193	(865)	18,328	18,582	(254)
Non Staff Costs	9,576	(463)	9,113	10,071	(958)
Total Costs	**28,769**	**(1,328)**	**27,441**	**28,653**	**(1,212)**
Operating Net Surplus/(Deficit)	**(2,492)**	**2,260**	**(232)**	**2**	**234**

Full Year Forecast:

Overall the forecast position has improved on last month from a deficit of £175k back to a break even position. This change mainly relates to income, with £262k release of 23/24 clawback.

The main variations against full year budget are:

Income is forecasting to be ahead of revised budget, mainly due to:

- - confirmation from SFC that £649k of CDEL has been allocated as RDEL
- - additional HE income from predicted increase in FTE over FRP
- - unbudgeted income for Post graduate income
- - new research grant funding in the year
- - additional funding to support increased pay award
- - additional funding for further support for NI increases from SFC
- - release of 23/24 clawback

Staff costs are over budget due to:

- - final pay award was more 1.25% more than original budget - funding received to offset this as noted above
- - unforeseen long term sick and maternity cover

Non-staff costs forecasting to be over budget. This is made up of lots of smaller items, with some of the main reasons being:

- - additional travel costs in relation to Resource Group
- - additional agency costs for Interim Director of Finance, only budgeted up to October
- - contingency agreed with the board following September results.
- - Campus Transformation costs, expected to be covered by income
- - additional consultancy costs relating to additional research income
- - additional provision for back dated audit fees from Deloitte's

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Year to Date and Full Year Forecast Income as at 31 March 2026

	Baseline Budget 25/26	FRP Adjustments	Revised Budget 25/26	Full Year Forecast	Full Year Forecast V Revised Budget
Income	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Academic					
FE Teaching Grant	8,750	0	8,750	8,701	(48)
Student Support	2,410	0	2,410	2,410	0
SFC/RSB Grants	612	403	1,015	1,390	376
HE Teaching Grants	7,251	298	7,549	7,856	307
Tuition Fees	2,616	91	2,707	3,371	664
SDS Contracts	511	0	511	501	(10)
International Income	1,473	0	1,473	1,526	52
Other Income	443	92	535	734	199
	24,066	**884**	**24,950**	**26,490**	**1,540**
Commercial					
Catering/Residences	1,281	0	1,281	1,291	10
Other Income	70	2	72	84	11
ASW	860	46	906	790	(116)
	2,211	**48**	**2,259**	**2,165**	**(94)**
Total Income	**26,277**	**932**	**27,209**	**28,655**	**1,446**

Full Year Forecast

Academic income main variances can be attributed to the following:

- FE teaching grant was over budgeted by £48k and is now in line with SFC statement.
- SFC/RSB grants over budget by £376k:
  - Estates grant converted from capital to revenue - £649k.
  - Support staff pay award funding confirmed after budget was approved - £85k - only received £51k.
  - Tay Cities Deal funding, £120k should have been released in 2024/25, additional £14k received in 2025/26 - £134k.
  - Removal of additional grant for Resource Group costs while status of grant is being discussed with SFC - £(489)k.
  - Additional funding received from SFC re NI increase support £61K
- HE teaching grant is higher than budget due to the additional 63 FTE, 13 more than FRP.
- HE also includes release of 23/24 clawback of £262k
- Tuition fees are better than budget by £664k:
  - Unbudgeted post graduate fees - £322k.
  - Open learning income - £20k.
  - Increased HE part-time tuition fee - £238k.
  - 2024/25 SAAS tuition fee income released into 2025/26 - £83k.
- Internation income is forecast to be over budget by £52k:
  - Reduction in forecasted income due to courses not receiving approval £30k
  - Increase in forecasted income as clarification sought on agreed fees with partners, actual invoiced amount agreed to budget.
  - additional course invoiced in March not in the previous months forecast.
- Other income is over budget by £199k:
  - Unexpected research grants received for the Centre for Mountain Studies - £208k
  - small reductions in short courses and other academic areas e.g. sale of books

Commercial income main variances can be attributed to the following:

- Catering/Residences income is £10k over budget. This is made up of:
  - lower than expected residences income of £104k offset by higher than expected hospitality income of £30k
  - plus insurance claim received of £79k re kitchen fire.
- Academy of Sport and Wellbeing income forecast is similar to the position last month but is still £116k short of budget due to reduced income for pay as you go gym and climbing income. A review of this area is ongoing.

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Year to Date and Full Year Forecast Staff Costs as at 31 March 2026

	Baseline Budget 25/26	FRP Adjustments	Revised Budget 25/26	Full Year Forecast	Full Year Forecast V Revised Budget
Staff Costs	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Staff Costs	18,335	(679)	17,656	17,809	(153)
Contracts & Timesheet	858	(309)	549	645	(96)
VS & Pension Strain	0	123	123	128	(5)
Total Staff Costs	**19,193**	**(865)**	**18,328**	**18,582**	**(254)**

Full Year Forecast

Main variances can be attributed to the following:

- Staff Costs
  - £85k additional costs due to support staff pay award. Additional funds being sought from SFC for this - £51k received.
  - £68k from various staff changes and maternity cover

- Contracts & Timesheet:
  - Unbudgeted holiday pay - £48k.
  - Unbudgeted TNE marking & oversees allowance- £46k.

- VS & Pension Strain
  - Overspend is as a result of Year 2 FRP costs being pulled forward into Year 1.

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Year to Date and Full Year Forecast Non-Staff Costs as at 31 March 2026

	Baseline Budget 25/26	FRP Adjustments	Revised Budget 25/26	Full Year Forecast	Full Year Forecast V Revised Budget
Non-Staff Costs	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Travel & Subsistence	140	(14)	126	163	(37)
Training & Other staff costs	102	0	102	136	(34)
Course costs & exam fees	1,920	0	1,920	1,909	11
Supplies & Services	1,861	(5)	1,856	2,617	(760)
ICT	619	(134)	485	452	33
Property costs	1,844	(238)	1,606	1,591	15
Legal & Admin	595	(72)	523	648	(126)
Bursary costs	2,410	0	2,410	2,410	0
Finance costs	84	0	84	144	(60)
Total Non-Staff costs	**9,576**	**(463)**	**9,113**	**10,071**	**(958)**

Full Year Forecast

Main variances can be attributed to the following:

- Supplies and Services:
  - Interim Director of Finance, initial period extended whilst recruitment process takes place £88K.
  - Contingency for areas of budget risk as recommended by the Finance and Resources Committee on 8 December 2025 - £333k
  - Increase in provision for irrecoverable VAT - £340k - further work required on this area to ensure no double counting of some of this within estates.

- Legal and Admin - £126k
  - Increased consultancy expenditure for Centre for Mountain Studies as a result of increased Grant Funding
  - Campus Transformation Officer costs, which should also be offset by income

- Other items:
  - Travel and Subsistence - Travel and accommodation costs relating to Resource Group.
  - Training & Other staff costs - recruitment costs and agency commission
  - Course cost & exam fees - increase in material costs and under budgeted for BSC Sports and Fitness, more students than original budget. This increase has been offset by irrecoverable VAT on resource group cost which sits with Supplies & Services above.
  - Finance Costs - additional audit fees of £53K over and above the £25k accrual made in 2024/25 relating to financial years 2022/23, 2023/25 and 2024/25. This is currently being disputed with Deloitte and discussions are ongoing.

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Year to Date and Full Year Forecast Summary Balance Sheet as at 31 March 2026

UHI Perth Balance Sheet	YTD 31 Mar 2026 £000	Forecast 31 Jul 2026 £000	Prior Year 31 Jul 2025 £000
Fixed Assets	48,691	48,585	48,691
Current Assets	2,546	2,059	2,495
Current Liabilities (amounts due within one year)	1,228	2,666	3,605
Creditors due greater than one year	4,262	4,006	4,258
Provisions	5,607	6,458	5,414
Total Net Assets	**40,140**	**37,514**	**37,909**
Reserves	**40,140**	**37,514**	**37,909**

Commentary

Fixed Assets
- Assumes no significant change to revaluation at 31 July 26,

Current Assets
- Cash balance agrees to projected cashflow and significant debtors balances are highlighted in separate table.

Current Liabilities
- Made up of unpaid purchases, Paye, pension payments due, accrued expenditure and deferred income.

Creditors Due greater than one year
- This is Capital Grant income that is released over the useful life of the fixed asset the grant relates to.

Provisions
- Made up of:
  - Job evaluation (2018) provision - £3.76m
  - Advance of Grant Funding from SFC - £2m (This is made up of £1.5m received in 24/25, plus £0.5m funding relating to resource Group now confirmed to be an advance of Grant)
  - Pension Liability - £0.7m, this is base on actuarial valuation at 31.07.25.

Debtors	31 Mar 2026
Total Debtor balance at	£0.905m
Value of debt with Debt Agency	£0.050m
Bad Debt Provision	£0.213m

Key Debtor Balances >£10K:

Invoice Date	Customer	Description of sale	Value	Status
15 Mar 2023	Perth and Kinross Council	Delivery of Course	149,722.50	Bad Debt
04 Nov 2025	Henan University of Urban Construction	International Income	204,000.00	Outstanding
23 Mar 2026	The James Hutton Institute	Fellowship Payment 1	18,593.00	Paid
31 Mar 2026	AITM	Student Fees Yrs 1 & 2 Semester 1	25,000.00	Outstanding
31 Mar 2026	AITM	Student Fees Yrs 1 & 2 Semester 2	25,000.00	Outstanding

Commentary

- Perth and Kinross Council is included within the bad debt provision and has been approved for write-off by the Board and is awaiting SFC approval.
- Henan University of Urban Construction was due to be paid in February, extension was requested to end of March and is currently being chased. - Director of International Partnerships is pursuing this.
- Asian Institute of Technology and Management - Have confirmed that payment request has been made but appears to be a delay in money being received from China. This is actively being monitored and pursued.

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Cashflow statement as at 31 March 2026

Per FRP Cashflow

2025/26	Aug-25 £000	Sep-25 £000	Oct-25 £000	Nov-25 £000	Dec-25 £000	Jan-26 £000	Feb-26 £000	Mar-26 £000	Apr-26 £000	May-26 £000	Jun-26 £000	Jul-26 £000
Income	2,007	2,609	3,435	1,985	2,094	1,841	2,361	2,263	2,442	1,980	1,938	2,515
Staff	-1,483	-1,600	-1,538	-1,560	-1,733	-1,540	-1,530	-1,588	-1,526	-1,526	-1,587	-1,526
Non-Staff	-274	-723	-1,889	-650	-1,102	-936	-624	-1,123	-641	-564	-620	-386
Total cashflow	**251**	**286**	**8**	**-225**	**-741**	**-635**	**207**	**-448**	**274**	**-111**	**-269**	**603**
Opening balance	1,712	1,963	2,249	2,257	2,032	1,291	656	863	415	689	578	309
Movement	251	286	8	-225	-741	-635	207	-448	274	-111	-269	603
Closing Balance	**1,963**	**2,249**	**2,257**	**2,032**	**1,291**	**656**	**863**	**415**	**689**	**578**	**309**	**912**

Per return to SFC on 14/05/26 - updated for Capital Spend received March 26

	Actuals									Forecasts		
2025/26	**Aug-25 £000**	**Sep-25 £000**	**Oct-25 £000**	**Nov-25 £000**	**Dec-25 £000**	**Jan-26 £000**	**Feb-26 £000**	**Mar-26 £000**	**Apr-26 £000**	**May-26 £000**	**Jun-26 £000**	**Jul-26 £000**
Income	1,990	2,376	3,222	2,069	1,853	3,989	1,268	1,882	2,673	2,067	2,023	2,365
Capital Funds received								504				
Staff	(1,501)	(1,525)	(1,589)	(1,559)	(1,559)	(1,573)	(1,601)	(1,651)	(1,542)	(1,551)	(1,612)	(1,576)
Non-staff	(422)	(637)	(986)	(598)	(1,468)	(596)	(720)	(1,158)	(594)	(570)	(626)	(637)
Capital Funds Spend												(505)
Total cashflow	**67**	**214**	**647**	**(88)**	**(1,174)**	**1,820**	**(1,053)**	**(423)**	**537**	**(54)**	**(215)**	**(353)**
Opening balance	1,712	1,779	1,993	2,640	2,552	1,378	3,198	2,145	1,722	2,259	2,205	1,990
Movement	67	214	647	(88)	(1,174)	1,820	(1,053)	(423)	537	(54)	(215)	(353)
Closing Balance	**1,779**	**1,993**	**2,640**	**2,552**	**1,378**	**3,198**	**2,145**	**1,722**	**2,259**	**2,205**	**1,990**	**1,637**

Key Variances year to date as at March 2026:

- Income overall is ahead of budget, mainly due to £300k of post graduate income received, this had not been included in the original budget.
- Phasing of tuition income differed across the months as SAAS funding was received in January but had been phased over the year.
- Originally assumed pay awards would be made from September, actual pay award was applied in January with back pay in February, YTD staff costs less than budget due to timing of staff savings from FRP being earlier than expected.
- £500k advance received from SFC to support additional payment to Resource Group received Feb 26. This was originally assumed to be income but has since been confirmed as advance of grant which will need repaid. There is no provision for repayment of this amounts prior to July 26.
- £123k pension strain payments were not included within original cashflow.
- £262k release of clawback relating to 23/24
- £59k additional funding from SFC towards pay award increase.
- Capital funds have been received from SFC via the emergency fund £505k. This is to be spent on repairs from the flood damage. At the moment it is estimated that this will be spent before the year end, but looking to confirm if this can be carried forward with SFC.
- Other non staff costs are currently ahead of budget, with plans to spend these over the summer, resulting in the cashflow likely to impact August 26 rather than current financial year.

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FRP Monitoring as at 31 March 2026

	FRP Target Income Increase 25/26	Forecast Income Increase at 28/02/26	Variance
INCOME GROWTH	**£'000**	**£'000**	**£'000**
Curriculum			
Increase HE numbers	302	380	78
Short courses	92	66	(26)
Estates			
Goodlyburn theatre	2	2	0
ASW - increased fees	30	0	(30)
ASW - new memberships	11	0	(11)
ASW - increased sports hall income	5	0	(5)
Other			
Resource Group Funding	489	0	(489)
Total Income Growth	**931**	**448**	**(483)**

Income growth main variances are attributed to:

- Currently forecasting that HE numbers will be an additional 63 - FRP target was 50.
- Short courses income overall not expected to achieve revised budget, but this is mainly due to the Business curriculum are not achieving their original budget. This area did not receive an increase within the FRP.
- Original planned price increase was implemented, but drop in membership & pay as you go income, overall ASW income is forecasting to be behind FRP adj budget by £117k. This is a small decrease of £3k from the position at February.
- SFC have now confirmed that Resource Group Funding is advance grant funding and therefore not a source of income. £500k Grant received in February is now included in the balance sheet as a loan.

	FRP Target Savings 25/26	Forecast Savings at 28/02/26	Variance
NON-STAFF COSTS	**£'000**	**£'000**	**£'000**
ICT - reduced spend	64	117	53
ICT - re-profile spend	70	70	0
Estates reduced spend	25	14	(12)
Estates - reprofile planned maintenance	200	200	0
HR - reduced spend	45	26	(19)
Legal budget - reduced spend	10	30	20
Consultancy - reduced spend	17	4	(13)
Energy usage - reduced spend	16	16	0
UHI microram - net receiver	87	82	(5)
Centre for Mountain Studies	96	96	0
Total Non-Staff Cost Savings	**630**	**655**	**25**

Non-staff costs main variances are attributed to:

- Currently licence costs are forecasting to be less than ICT revised budget by an additional £53K.
- Due to timing of Estates contract end dates, only partial savings made in year 1.
- HR savings not achieved in full due to additional unplanned CPD costs and PVG costs exceeding planned expectations.
- Legal fees are expected to exceed original FRP savings.
- Consultancy costs are not expected to achieve FRP savings. This is due to additional external support being required particularly around HR matters.
- Final UHI microram report shows UHI Perth due to pay £5k this year. Work is being done to fully check course allocations.
- CMS has not transferred out as expected. Whilst discussions re still ongoing it is included in the forecast for the full year. Significant additional funding has been received in the current year, and overall this cost centre is looking to break even . FRP had originally anticipated to save around 50% of the deficit position but could over the year save 100% - total original budget deficit was £186k.

	FRP Target Savings 25/26	Forecast Savings at 28/02/26	Variance
STAFF COSTS	**£'000**	**£'000**	**£'000**
Vacant posts - non management	172	176	4
Management restructure	343	415	72
Voluntary severance & strain costs - one-off	(123)	(128)	(5)
Curriculum review	306	228	(78)
Invigilators, readers and scribes	3	3	0
Total Staff Cost Savings	**701**	**694**	**(7)**

Staff costs main variances are attributed to:

- Additional management restructure savings achieved as staff left earlier than forecast in FRP.
- VS costs include costs originally planned in Year 2 of the FRP, due to staff member leaving earlier than planned in FRP, plus additional VS as a result of support staff back dated pay award.
- Due to increased long term sick leave, it is not likely that the curriculum review full saving will be achieved in Year 1.

	FRP Target Savings 25/26	Forecast Savings at 28/02/26	Variance
STAFF COSTS	**FTE**	**FTE**	**FTE**
Vacant posts - non management	4	4	0
Management restructure	5	5	0
Total Staff Cost Savings	**9**	**9**	**0**

Committee	Finance and Resources Committee
Subject	UHI Perth - Draft 2026/27 Budget
Date of Committee meeting	26/05/2026
Author	Gail Dunn, Chief Financial Officer
Date paper prepared	19/05/2026
Executive summary of the paper	This paper includes the first draft 2026/27 budget which is currently showing a surplus of £54k.
Consultation How has consultation with partners been carried out?	This paper will be shared with the Perth Leadership Group and the Executive Office of UHI Any actions following their comments will be included in the budget paper to the Board on 16 June 2026.
Action requested	☐ For information only ☒ For discussion ☐ For recommendation ☐ For approval
Resource implications (If yes, please provide details)	Yes Budgeted income and expenditure is included.
Risk implications (If yes, please provide details)	Yes Notes the risk to financial sustainability within the Risks and Opportunities section of the paper.
Link with strategy Please highlight how the paper links to the Strategic Plan, or assist with: • Compliance	Financial sustainability

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

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

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

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

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

Purpose

1. The purpose of this report is to present a first draft budget for 2025/26 for discussion at the Finance and Resources Committee. Indicative budgets are also provided for 2026/27 and 2027/28. These budgets reflect the current provision of services to students and support and serve as a base point for the recovery plan.

Background

2. Along with the rest of the FE and HE sector in Scotland, UHI Perth has continued to experience financial challenges in recent years. Over financial years 2022/23 and 2023/24 there were staff savings of ~£3.5m leading to a reduction of 19% of the workforce. In 2024/25 the Board approved a budget deficit of £1.288m on 18 December 2024 given that the Scottish Funding Council (SFC) agreed to provide liquidity support of £1.5m, repayable when we have the financial ability, and had provided a letter of comfort in terms of going concern. In the half year forecast review to 31January 2025 the forecast budget deficit increased to £1.827m due mainly to an error in the budget for catering costs and a revised cashflow at that time showed that £1m additional funding support was required in July 2025 to remain solvent. This has raised significant concerns with the Executive Office as Regional Strategic Body (RSB) and the SFC, who require a recovery plan from UHI Perth before authorising further liquidity support. The budget for the next three years is a key baseline to this plan.

3. SFC announced draft indicative funding for FE and HE for 2025/26 in April 2025 and final allocations are expected by the end of May. The RSB then provided draft indicative funding allocations to UHI Perth and other academic partners in April. 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 if National Pay Bargaining and the allocation to cover the increase in FE teachers pension funding are excluded. The RSB has had initial discussions with the SFC on this position as the SFC had given assurances that no College would experience a reduction in grant allocation in 2025/26.

4. The funding allocation has implications for UHI Perth in several areas but the most material is that the negligible increase in income coupled with reduced HE student numbers does not cover the increase in staff costs through national pay bargaining (NPB), which has been the case for many years. The SFC has committed to reviewing their funding model during 2025/26 and we will need to review our budgets to reflect any impact on UHI Perth.

5. The draft 2025/26 budget and indicative budgets for the following two years have been prepared in the context of political uncertainty, ongoing public sector financial challenges and inflation rates above the Bank of England's 2% target.

6. UHI Perth is required to submit a Financial Forecast Return (FFR) to the SFC by 30 June 2025. The SFC is due to provide guidance for 2025/26 in late May and the budget may need to be revised if assumptions differ to those we have used to ensure consistency of financial information. Depending on the timing of the guidance and time required to incorporate any changes it may be necessary to call a Board meeting after 5 June to finally approve the budget.

Draft 2025/26 Budget

7. Each of the directors on the Perth Leadership Group (PLG) is a budget holder, having responsibility for cost centres within their department. The Directors of Curriculum delegate budget management for some cost centres to sector managers although retain overall accountability. In preparing the draft budget for 2025/26 the Finance Team met with each budget holder to discuss forecasts for income, staff costs and non-staff costs for 2024/25, 2025/26 budget requirements and estimated monthly spend profile, and indicative budgets for 2026/27 and 2027/28. The Depute Principals then met with each director to challenge the level of budget required, which resulted in some amendments to the draft budget included at appendix 1. For the first time this year income, staff costs and non-staff costs were shown together in the same cost centre making it easier to assess the overall financial view. An exercise is yet to be completed to allocate the majority of academic income between cost centres then to assess course profitability.

8. The RSB provided assumptions to be used by all academic partners to ensure consistency, which were discussed and agreed by the Finance Directors in the partnership. Appendix 2 includes the assumptions used in relation to income, staff costs and non-staff costs.

9. The draft budget for 2025/26 includes income of £27.011m and expenditure of £28.490m resulting in a deficit of £1.479m. The table below summarises the position with a split between staff and non-staff costs shown as a percentage of income. Staff costs have reduced as a percentage between years while non-staff costs have increased.

	Budget 25/26	%age of income	Budget 24/25	%age of income	Variance
	£'000		£'000		£'000
Income	27,011		25,313		1,698
Staff costs	19,355	71.7%	18,868	74.5%	487
Non-staff costs	9,135	33.8%	7,733	30.5%	1,402
Surplus/(Deficit)	**- 1,479**	**105.5%**	**- 1,288**	**105.1%**	**- 191**
Depreciation	1,678		2,026		- 348
Profit/(Loss)	**- 3,157**		**- 3,314**		157

Income

10. 85% of the total income we receive relates to academic provision, of which 86% is SFC funding. 15% relates to commercial income for the Academy of Sport and Wellbeing, the external catering contract which is due for renewal this summer, the student residences and other income such as international.

11. ASW is budgeted to make a profit of £0.213m in 2025/26 and residences a profit of £0.248m. £1.491m income is budgeted for international business and this activity will be included in the course profitability exercise.

Staff costs

12. The table below shows staff cost metrics for 2025/26 with the number of academic and support (professional services) staff evenly split although 60% of the permanent staff budget relating to academic. It should be noted that permanent staff per the table includes fixed term contracts that are on our payroll. Contracted staff includes people brought in at particular times to provide sickness cover for example.

		2025/26	
		FTE	£
Permanent Staff			
Academic		152.17	£10,926,369
Support		150.21	£7,191,082
		302.38	£18,117,451
Contracted			
Academic		10.00	£700,210
Support		3.00	£115,096
Invigilators		n/a	£45,000
		13.00	£860,306

13. The reasons for the key movements of staff costs between years is set out below, with the main changes relating to pay awards and increments.

Staff cost movement between years	2026/27 £'000	2027/28 £'000
Prior year staff costs	19,355	19,947
Remove vs and pension strain relating to 2025/26	-185	0
Remove fixed term posts	-67	0
Delayed reduction in staff	-20	0
Pay award	772	834
Increments	84	49
Increase in non-funded pensions & apprenticeship levy	8	9
	19,947	**20,839**

Non-staff costs

14. Non-staff costs account for a third of the budget with 20% relating to costs on maintaining our estate, including energy and utility costs, and 7% relating to ICT costs (hardware and software). As reported in the 2024/25 budget paper, 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 realise savings from efficiencies by continuous improvement 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. Lack of investment in estates and ICT are included as risks in appendix 4.

15. Non-staff costs have increased between years mainly due to costs missed from the 2024/25 budget although reductions have been made in areas such as travel and subsistence, training, ICT and property costs with the new catering contract.

16. UHI Perth has a high level of income which is exempt or outwith the scope of VAT meaning we cannot claim back all the VAT on purchases. £0.3m has been included in the budget this year, which was not included previously.

17. The reasons for the key variances between the 2024/25 budget and the 2025/26 budget are set out in appendix 3. Further analysis will take place before the Board meeting where required to ensure that income and cost lines have not been missed.

Priorities for 2025/26

18. The PLG identified five key priorities to take forward as an organisation in 2025/26, some of which require staff and budget resource and others where this is at least partially in place:
    - **Estates strategy** – phase 1 library and phase 2 budget can be developed within budget. ~£5m commercial costs have been identified in a master planning report

for future phases but they will be reviewed as we have in-house trades to determine what can be achieved within budget.

- **Continuous improvement** – beyond a post for continuous improvement there is not money in the budget for systems development. Systems to prioritise for development are HR and payroll, student records, finance and booking systems.
- **Digitisation of the curriculum** – academic staff participation in digital training to enable blended learning and reduced print and paper costs. There is 1.1 FTE in place to support the transition and additional software may be required.
- **Course profitability modelling** – now there are budget figures work can start on course profitability for those delivered at UHI Perth and internationally to assess financial performance of each course which should be completed in time for decisions to be made for the 2026/27 academic year.
- **Investigating and developing international business** – pipeline business of ~£200k in China has been identified but is subject to Chinese Ministerial approval. We will investigate further development of international business – transnational education, online and direct on-campus.

Indicative budgets for 2026/27 and 2027/28

19. Indicative budgets have been prepared for 2026/27 and 2027/28. Assumptions are included at appendix 2.

Cashflow

20. Now that the draft budget has been prepared we are in a position to prepare a cashflow forecast for the three financial years. It will be provided to the Finance and Resources Committee as soon as possible.

Risks

21. There are three risk categories in the ERM (Enterprise Risk Management) strategic risk register that relate to the financial sustainability of UHI Perth – academic income, commercial income and financial (income and cost risk). The Board has minimal risk appetite for the academic and financial categories and a cautious risk appetite for the commercial category.

22. Appendix 4 identifies opportunities and risks to the budget along with likelihood, impact, potential financial impact where this can be estimated and mitigating and enabling actions. These opportunities and risks are also relevant to the recovery plan.

23. The Perth Leadership Group will focus on identifying and mitigating risks to the budget. The Finance team will work with budget holders to regularly monitor income and costs and take early action on any under/overspends. Any significant issues will be highlighted to the Finance and Resources Committee prior to the Board as well as the Executive Office of UHI.

Recommendation

24. It is recommended that the Finance and Resources Committee notes the draft budget for 2025/26 and indicative budgets for the following two years and identifies any changes to be made before presenting to the Board on 5 June. SFC has previously funded the deficit by providing liquidity support but the SFC has asked for a recovery plan for the next three years as soon as possible before committing to further support.

Appendix 1 – Draft Budget 2025/26 and indicative budgets for the following two years

	Draft Budget 25/26	Approved Budget 24/25	Variance	Forecast 26/27	Forecast 27/28	Apx 3 Note
Income	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	
Academic						
FE teaching grant	8,750	8,487	263	8,750	8,750	1
Student support	2,340	2,340	0	2,340	2,340	
SFC/RSB grants	1,065	874	191	799	799	2
HE teaching grant	7,563	6,676	887	7,563	7,563	3
Tuition fees	2,616	2,980	-364	2,616	2,616	4
SDS contracts	541	535	6	541	541	
	22,875	**21,892**	**983**	**22,609**	**22,609**	
Commercial						
Catering/Residences	1,281	1,080	201	1,289	1,289	5
Other income	1,995	1,639	356	1,903	1,904	6
ASW	860	700	160	860	860	7
	4,136	**3,419**	**717**	**4,053**	**4,054**	
Total Income	**27,011**	**25,311**	**1,700**	**26,662**	**26,663**	-
Staff costs	18,309	16,944	1,365	19,051	19,905	8
Contracts & timesheet	860	1,101	-241	897	934	9
VS & pension strain	185	823	-638	-	-	10
Total Staff Costs	**19,355**	**18,868**	**487**	**19,947**	**20,839**	
Travel & subsistence	140	221	-81	143	143	11
Training & other staff costs	102	153	-51	107	107	12
Course costs & exam fees	1,425	1,413	12	1,467	1,467	
Supplies & services	1,898	262	1,636	1,842	1,846	13
ICT	628	765	-137	720	761	14
Property costs	1,844	1,911	-67	1,900	1,930	15
Legal & admin	595	571	24	607	605	
Bursary costs	2,340	2,340	0	2,340	2,340	-
Finance costs	164	98	66	168	169	16
Total Non-Staff costs	**9,135**	**7,734**	**1,401**	**9,294**	**9,369**	
Net Deficit	**-1,479**	**-1,291**	**-188**	**-2,580**	**-3,545**	

Appendix 2 – Budget Assumptions

Income

- FE funding from SFC - all three financial years are based on the draft indicative allocations for 2025/26 from EO received in April ie 22,050 credits. We usually achieve these credits and would have capacity to increase this number. Discussions between EO and the SFC are at an early stage to explore the potential to convert a shortfall of HE FTEs into FE credits.
- HE funding from SFC – all three financial years are based on the draft indicative allocations for 2025/26 from EO 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 was reduced by 200 in the 2024/25 budget.
- Controlled HE numbers from SFC – these figures will not be released until later in the year so the same numbers as 2024/25 have been assumed for all three financial years.
- FE student support funding from SFC – all three financial years are based on the draft indicative allocations for 2025/26 from EO received in April 2025.
- HE research excellence grant and BIS research - all three financial years are based on the draft indicative allocations for 2025/26 from EO received in April 2025.
- Part-funding of academic staff pay award – of the 4.14% pay award agreed, it is expected that 1.14% will be funded from Scottish Government for 2025/26 but not the following two years.
- 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 but no contribution in the following two years.
- The increase in teachers pension fund contributions (SPPA) from 23% to 26% from 1 April 2024 is now absorbed within the FE funding allocation.
- Commercial income – 2.5% increase on residences in 2025/26 and international income per contracts. In ASW 5% price increases to PAYG (pay as you go and other activities) and assumed 10% increase in direct debit membership. No further increases in next two years – to be reviewed.
- Other income – assumed the same as 2024/25 or in line with contracts/ agreements.

Staff costs

- Staff costs are based on full and part-time posts at the time the budget is prepared on 15 May and have taken into account end dates of current fixed term contracts and known leavers.
- Academic staff – 4.14% pay award accumulating for each of the three financial years with 1.14% paid for by Scottish Government for 2025/26 but not the following two years.
- Support staff – 4.14% pay award accumulating for each of the three financial years fully paid by UHI Perth.
- Employers national insurance increases – per UK budget contribution changes based on the 2025/26 tax year for all three financial years.
- Teachers employers pension (SPPA) contribution – 26% for all three financial years.
- Support staff pension contribution – 15.7% for all three 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 as it is assumed any additional cost of this will be funded in full, therefore nothing is included in the budget for increases in pay rates in relation to this.
- Academic contracted staff – assume 10 FTE posts for academic and 3 FTE posts for the Academy of Sport and Wellbeing. A process will need to be put in place to control use of this budget.
- Severance and pension strain costs – estimated to allow for potential cost of remaining restructuring started in 2023/24.
- Non-funded pension fund from Tayside Pension Fund - £10,250/month plus 5%.
- Apprenticeship Levy based on c£14m paybill (salary excluding employers NI and pension) @ 0.5% less £15,000 allowance.

Non-Staff Costs

- During the budget process budget holders were asked to reduce costs to a level needed to provide the service without contingency.
- FE and HE capital maintenance funding – ~£800k - assume that UHI Perth can use this funding for revenue spend in line with previous years. This is a risk as SFC has been considering stopping this practice for at least two years, which would mean that approx. £600k of ongoing repairs and maintenance would need to be paid from the revenue budget causing an additional budget pressure. Approximately £200k each year is likely to relate to capital spend.
- General inflation – 3%, which includes gas and electricity. Not all costs have been inflated unless there is an external contract, where inflation is built in.
- 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. This is a risk.
- Microram – for the first time in 2024/25 UHI Perth was a net receiver of microram. It has been assumed that this trend won't continue and £80k of costs have been budgeted for each of the three financial years.
- Depreciation – figure is based on UHI Perth 2023/24 financial statements

Appendix 3 – Key variances between 2024/25 and 2025/26 budgets

Apx 1 Note	Description	Variance	Variance Analysis
		£'000	
1	FE teaching grant	263	£263K increase in line with the draft indicative FE funding grant for 2025/26. Cost per credit increase between years.
2	SFC/RSB grants	191	Variance resulting from planned 1.14% Academic Pay Award Funding and 48% FE NI Increase of £201k in 2025/26 budget.
3	HE teaching grant	887	Variance mainly due to £65k HISA cost and shared services of £276k included in error as income in 24/25, IT shared service income of £220k not included last year. Sport & Fitness controlled numbers understated by £249k in 24/25.
4	Tuition fees	- 364	£364K reduction in tuition fee due to reduced target number.
5	Catering/ residences	201	Driven by 2.5% rent increase approved by SLT.
6	Other income	356	Driven by £280k increase in international tuition income mainly from the Business, Technology and Wellbeing curriculum area. £129k research income relating to CMS which was not included in 2024/25 budget.
7	ASW	160	10% price increase for both PAYG and direct debit customers.
8	Staff costs	1,365	Main elements relate to £360k national insurance rate changes and £750k pay award. £185k not included last year for non-funded pension and apprenticeship levy.
9	Staff - contracts	- 241	Reduced as part of cost-cutting measures.
10	VS and pension strain	- 638	Costs in 24/25 relate to the workstream exercise started in 23/24. Budget for 25/26 estimates costs to complete this exercise.
11	Travel & subsistence	- 81	Reduced as part of cost-cutting measures. Majority of costs now relate to international travel to service existing contracts/ seek new business.
12	Training & other staff costs	- 51	Reduced as part of cost-cutting measures.
13	Supplies & services	1,636	Variance mainly resulting from £770K missed catering cost in 24/25 budget, £300K planned irrecoverable VAT in 25/26 budget, £65k HISA Cost and £276K Shared Services, plus £200k relating to other costs.
14	ICT	- 137	Variances due to £33k inaccurate figures in 24/25 for printing, £7k reduction in postage, £22k phone budget inflated in 24/25, £61k ICT budgets spread across departments in error in 24/25, reduced budget for HR system £5k and £9k miscellaneous.
15	Property costs	- 67	Reduced as part of cost-cutting measures.
16	Finance costs	66	£80k Microram cost is currently included here - to be netted off against academic income. Budget adjustment required.

Appendix 4 – Opportunities and Risks

No	Opportunity	Likelihood	Impact	Potential Financial Impact	Enabling actions
				£'000	
1	Maximising income growth opportunities	Medium	High	TBC	Promotion of UHI and Perth to increase profile and attract student numbers. EO discussing with SFC possibility of converting HE numbers to FE credits. Explore development of international markets to further generate profitable
2	Efficiency savings	Medium	Medium	TBC	Efficiency savings could be made in terms of systems, processes and staff time. A role is now in place to co-ordinate continuous improvement but additional investment in systems is needed to generate efficiencies.
3	Management of staff costs	High	High	>190	Options include continued management of vacancies, exploring options for increased flexible working/ reduced staff hours, recruitment freeze, severance. 1% savings in staff costs equates to ~£190k.
4	Streamlining the curriculum	High	High	TBC	Actions include increases in class group sizes where appropriate, development of online resources, further improvement in timetabling efficiency, discontinuation or redesign of courses with low student numbers,
5	Sale of land/ property	Medium	High	TBC	Potential to sell strips of land eg next to Crieff Road and the car park behind Brahan. Sale of all/ part of Goodlyburn also an option - SLWG
6	Tay Cities	Medium	High	6,300	£8.1m secured from UK/Scottish Government in 2019 for Tay Cities Deal - £6.3m UHI Perth for Aviation Academy and £1.8m Dundee CC for pilot training. AST was a key partner in the Aviation Academy. There is potential to redefine the outline business case for a new concept - 18 months to two years to get agreement from government to be implemented by 2023.

No	Risk	Likelihood	Impact	Potential Financial Impact	Mitigating actions
				£'000	
1	FE teaching grant - credits are not delivered to draw down all the allocated grant.	Low	High	88	Delivery of credits has not been an issue historically. Continued use of recruitment tracker to closely monitor active interest in courses against target for applications and continuing students. Potential financial impact
2	HE teaching grant - HE FTE numbers are not delivered to draw down all the allocated grant	Medium	High	85	Targeted numbers have been reduced to levels considered achievable although will be increased where possible. Continued use of recruitment tracker to closely monitor active interest in courses against target for applications and continuing students and appropriate action to be taken. Potential financial impact based on 20 students
3	Other academic income - failure to achieve sufficient levels	Low	Medium	160	Detailed in-year monitoring will take place to optimise fee generating activity. Potential financial impact based on 10% of SFC/RSB grants and
4	Commercial income - failure to achieve sufficient levels and reduced profits	Medium	High	400	Constant monitoring of income levels and proactively initiating ideas to increase income generating activities. Potential financial impact based on 10% reduction of income. Need to take tax advice on non-charitable
5	Staff costs - pay settlements or changes to terms and conditions resulting in costs greater than budget assumptions that aren't funded	Medium	Medium	70	Pay award for 2025/26 is settled for academic staff although confirmation required from SG on whether funding will cover the whole 1.14%. Pay settlement for support staff still being negotiated. An additional 1% would have an impact of £70k for support staff in 2025/26.
6	Staff costs - interim arrangements due to the resignation of senior leadership impacts adversely on the budget	High	Medium	TBC	The financial impact should be assessed and included in the budget when putting arrangements in place, including agency costs.
7	Severance and pension strain costs - risk of increased costs beyond budget	Medium	Medium	TBC	There may be the need for severances as part of the recovery plan to generate savings in staff costs. The risk is highlighted but a figure has not
8	Job evaluation - Scottish Government hasn't commited in writing to cover costs so UHI Perth may be liable	Low	High	2,200	Continuing uncertainty about job evaluation for support staff and middle management in the College sector, which will be implemented from 1 September 2018 when agreed.
9	SFC capital funding - unable to use for revenue spend (RDEL) and to be used for capital	Medium	High	800	For the last few years SFC has allowed capital funding to be used for repair and maintenance of our estate (revenue costs). They have advised that this practice may change meaning that budget for ~£600k revenue costs out of our £800k allocation would need to be found elsewhere. We have extremely limited opportunity to reduce non-staff costs further.
10	Estate - deterioration of building fabric leading to costs higher than is available in the budget.	Medium	High	Significant potentially	We have an ageing estate and further deterioration of the fabric of existing buildings is inevitable. The estate is being maintained as far as possible with the budget available but the costs of any emergency repairs/replacement
11	Non-staff costs - increase above budget due to essential spend being required	Low	Medium	68-204	Monthly budget management meetings will be arranged between the Finance team and the budget holders from next financial year to closely manage spend and early action taken to mitigate potential spend. Financial impact shows a range of 1- 3% above budget, excluding bursaries.
12	Supplies and services - replacement of AST part 66 delivery has costs significantly in excess of current budget	High	High	90-250	Resource Group has submitted a proposal to deliver part 66 for the BSC (Hons) Aircraft Maintenance Engineering and Management degree. A draft paper from a Director of Curriculum states that costs are £248k more than AST over a three year period - figures to be clarified year on year and whether there are increased costs for 'repair' in year 1.
13	ICT - lack of development in technology and up-to-date equipment adversely affects student experience and affects income from student numbers	Medium	High	173	The SLT and PLG would like to invest in a range of systems to enable efficiency savings. This should be discussed as part of the recovery plan. The financial impact is based on the HE and FE income numbers above.

26/27 DRAFT BUDGET SUMMARY

CATEGORY	26/27 Draft Budget (£000)	25/26 Projection (£000)	26/27 Draft Budget V 25/26 Projection (£000)	26/27 Draft Budget V 25/26 Projection (%)	26/27 FRP Budget (£000)	26/27 Draft Budget V 26/27 FRP Budget (£000)	26/27 Draft Budget V 26/27 FRP Budget (%)
Academic Income	22,448	22,792	(344)	(1.5%)	20,770	1,678	8.1%
Commercial Income	3,747	3,453	294	8.5%	4,113	(366)	(8.9%)
TOTAL INCOME	**26,195**	**26,245**	**(50)**	**(0.2%)**	**24,883**	**1,312**	**5.3%**
Direct Staff Costs	12,777	12,400	(377)	(3.0%)	12,372	(404)	(3.3%)
Direct Non-Staff Costs	1,807	2,118	311	14.7%	1,818	11	0.6%
TOTAL DIRECT COSTS	**14,583**	**14,518**	**(65)**	**(0.5%)**	**14,190**	**(393)**	**(2.8%)**
CONTRIBUTION	**11,612**	**11,727**	**(115)**	**(1.0%)**	**10,692**	**1,705**	**15.9%**
CONTRIBUTION %	**44.3%**	**44.7%**	**-0.4%**		**43.0%**	**1%**	
Support Staff Costs	6,618	6,054	(564)	(9.3%)	5,744	(874)	(15.2%)
Support Non-Staff Costs	4,940	5,543	603	10.9%	4,824	(115)	(2.4%)
TOTAL OVERHEAD COSTS	**11,558**	**11,597**	**39**	**0.3%**	**10,568**	**(990)**	**(9.4%)**
Restructuring Costs	0	128	128	100.0%	8	8	100.0%
NET SURPLUS/(DEFICIT)	**54**	**2**	**52**	**2595.0%**	**116**	**(62)**	**(53.6%)**
NET SURPLUS/(DEFICIT) %	**0.2%**	**0.0%**	**0.2%**		**0.5%**	**(0.3%)**	

- The draft budget for academic year 26/27 is returning a modest net surplus of £54k (0.2%).
- This is slightly better than the 25/26 year end projection which is estimating a break even position.
- The 26/27 FRP budget was reporting a surplus of £116k (0.5%) which is £62k more than the 26/27 draft budget position.
- The main variances are explained throughout this report which also includes a high level cash flow, risks and opportunities as well as a high level three-year projection.

26/27 DRAFT BUDGET - INCOME

CATEGORY	26/27 Draft Budget (£000)	25/26 Projection (£000)	26/27 Draft Budget V 25/26 Projection (£000)	26/27 Draft Budget V 25/26 Projection (%)	26/27 FRP Budget (£000)	26/27 Draft Budget V 26/27 FRP Budget (£000)	26/27 Draft Budget V 26/27 FRP Budget (%)
ACADEMIC INCOME							
FE Teaching Grant	9,677	9,033	644	7.1%	8,750	928	10.6%
HE Teaching Grant	7,842	7,856	(14)	(0.2%)	7,760	81	1.0%
Estates Grant	0	680	(680)	(100.0%)	0	0	0.0%
Other Grants	319	439	(120)	(27.3%)	459	(140)	(30.6%)
Tuition Fees	3,159	3,371	(212)	(6.3%)	2,798	361	12.9%
Research Income	402	338	64	18.9%	0	402	0.0%
Refectory Income	787	782	5	0.7%	753	35	4.6%
Other Income	262	293	(31)	(10.7%)	249	13	5.0%
TOTAL ACADEMIC INCOME	**22,448**	**22,792**	**(344)**	**(1.5%)**	**20,770**	**1,678**	**8.1%**
COMMERCIAL INCOME							
International Income	1,723	1,526	197	12.9%	1,723	0	0.0%
Residences Income	428	425	3	0.7%	552	(124)	(22.5%)
Short Courses	153	164	(11)	(6.7%)	294	(141)	(47.9%)
MA and VQ	507	501	6	1.2%	511	(4)	(0.8%)
Academy of Sport and Wellbeing	800	790	10	1.3%	902	(102)	(11.3%)
Other Commercial Income	136	47	89	188.9%	131	5	3.7%
TOTAL COMMERCIAL INCOME	**3,747**	**3,453**	**294**	**8.5%**	**4,113**	**(366)**	**(8.9%)**
TOTAL INCOME	**26,195**	**26,245**	**(50)**	**(0.2%)**	**24,883**	**1,312**	**5.3%**

26/27 Draft Budget V 25/26 Projection

- FE Teaching Grant is £644k higher for 26/27 as a result of the increase in FE funding. The figure includes the additional funding received for National Insurance and pay rise increases.
- HE Teaching Grant is broadly in line for both years, the 25/26 figure includes the additional income received as a result of an increase in HE students of 63 FTE. The 25/26 projection also includes £262k of income relating to an overprovision of the 23/24 clawback made by UHI EO.
- The Estates Grant is to be treated as 100% CDEL for 26/27 hence the drop in RDEL income of £680k.
- Other Grants have reduced by £120k mainly due to no income budgeted for Tay Cities Deal although we are expecting an update on this before the end of the current academic year.
- Tuition Fee income has reduced by £212k due to conservative estimates made for post-graduate income.
- Research Income relates to The Centre for Mountain studies and is showing a £64k increase for 26/27 although conversations are ongoing with regards to transferring this department to UHI North West and Hebrides. In the 26/27 budget, CMS is making an overall deficit of c£125k.
- Other Income relates to training restaurant, hair and beauty appointments, sports therapy etc and is showing a decrease of £31k for 26/27 based on the numbers projected by the curriculum.
- International Income has increased by £197k in 26/27 due to potentially increasing student fees as well as gaining more students during 26/27. The college is also in discussions with potential future partners.
- Short Courses, MA and VQ income and Other Commercial Income are overall showing an increase of £84k due mainly to projected car park and nursery premises income as per the financial recovery plan. This area will be reviewed when the new Governance, Growth and Compliance Manager starts during May 26.

26/27 Draft Budget V 26/27 FRP Budget

- FE Teaching Grant is £928k higher than FRP as a result of the increase in FE funding as well as the additional funding received for national insurance and pay rise increases which were not included in the 26/27 FRP figures..
- HE Teaching Grant is £81k better due to the increase in funding. The target number of HE students is in line with the FRP target.
- Other Grants have reduced by £140k mainly due to the additional funds expected to offset the increased costs of Resource Group now being treated as an advance by the Scottish Funding Council.
- Tuition Fees are higher in the 26/27 draft budget as post-graduate and open learning income was not budgeted for in the FRP.
- There is no Research Income recorded in the 26/27 FRP as CMS was expected to transfer to UHI North West Hebrides during academic year 25/26.
- Refectory and Other Academic Income are slightly higher in the 26/27 draft budget but broadly in line with the FRP figure.
- Residences Income is £124k less than the FRP figure due to the 25/26 budget for this category being too high. The figure provided for draft budget 26/27 is a conservative estimate due to lack of information around how many weeks the students applying will be requiring the accommodation, i.e. 36 or 40 weeks.
- Short Courses income is £141k lower than 26/27 FRP budget, as discussed above, this area will be reviewed imminently.
- Academy of Sport and Wellbeing is £102k lower in the 26/27 draft budget as this area is currently being reviewed with a new staffing structure being put in place as well as planned improvements to the facilities while planning the strategy to increase the income.

26/27 DRAFT BUDGET - STAFF COSTS

CATEGORY	26/27 Draft Budget (£000)	25/26 Projection (£000)	26/27 Draft Budget V 25/26 Projection (£000)	26/27 Draft Budget V 25/26 Projection (%)	26/27 FRP Budget (£000)	26/27 Draft Budget V 26/27 FRP Budget (£000)	26/27 Draft Budget V 26/27 FRP Budget (%)
Curriculum Management	1,989	1,925	(64)	(3.3%)	1,926	(63)	(3.3%)
Permanent Lecturers	9,024	8,637	(387)	(4.5%)	8,908	(116)	(1.3%)
Temporary Lecturers	540	645	105	16.3%	353	(187)	(53.0%)
Other Curriculum Staff	1,224	1,193	(31)	(2.6%)	1,185	(39)	(3.3%)
Direct Staff Costs	**12,777**	**12,400**	**(377)**	**(3.0%)**	**12,372**	**(404)**	**(3.3%)**
Support Staff Costs	6,618	6,054	(564)	(9.3%)	5,744	(874)	(15.2%)
VS Costs	0	128	128	100.0%	8	8	100.0%
TOTAL STAFF COSTS	**19,395**	**18,582**	**(813)**	**(4.4%)**	**18,124**	**(1,675)**	**(9.2%)**

26/27 Draft Budget V 25/26 Projection

- Curriculum Management costs are £64k higher than 25/26 projection due to anticipated pay rises due in September 26.
- Permanent Lecturers costs are £387k higher than 25/26 due to the anticipated pay rise estimated at 3.75% in this budget.
- Temporary Lecturers costs have reduced by £105k as savings will be expected to be made in this category.
- Other Curriculum Staff includes Technicians, Work Based Assessors, Department Administrators. The costs for this category have slightly decreased based on the staff requirement for 26/27.
- Support Staff Costs are higher than 25/26 projection as a result of the 3.4% pay rise due in September 26 as well costs for new positions created during this academic year which were not budgeted for, i.e. Governance, Growth and Change Manager, Head of Finance etc. The Centre for Mountain Studies staff costs are included in the 26/27 draft budget while discussions continue with regards to this department being transferred.

26/27 Draft Budget V 26/27 FRP Budget

- Direct Staff Costs are overall £404k higher than 26/27 FRP budget as a result of additional money being added to cover pay rises, as well as an increase in Temporary Lecturers budget. Negotiations are currently ongoing between the EIS-FELA and College Employers Scotland with regards to a three-year pay deal.
- Support Staff Costs are £874k higher than 26/27 FRP budget due to the addition of new roles not budgeted for in the FRP, i.e. Head of Finance, Health and Safety Officer, Governance, Growth and Change Manager, as well as the staff costs for The Centre for Mountain Studies.

26/27 DRAFT BUDGET - NON-STAFF COSTS

CATEGORY	26/27 Draft Budget (£000)	25/26 Projection (£000)	26/27 Draft Budget V 25/26 Projection (£000)	26/27 Draft Budget V 25/26 Projection (%)	26/27 FRP Budget (£000)	26/27 Draft Budget V 26/27 FRP Budget (£000)	26/27 Draft Budget V 26/27 FRP Budget (%)
Curriculum Costs	1,447	1,771	324	18.3%	1,474	27	1.8%
International Costs	110	97	(13)	(13.1%)	94	(15)	(16.1%)
Exam Fees	250	250	0	0.0%	250	0	0.0%
Direct Costs	**1,807**	**2,118**	**311**	**14.7%**	**1,818**	**11**	**0.6%**
Staff Training	52	57	5	8.8%	50	(2)	(4.0%)
Professional Fees	706	888	182	20.5%	500	(206)	(41.2%)
ICT	645	452	(193)	(42.8%)	600	(45)	(7.6%)
Estates	1,243	1,591	348	21.9%	1,509	266	17.6%
Finance and Audit	116	143	27	19.2%	104	(12)	(11.1%)
Residences	268	264	(4)	(1.6%)	288	20	6.8%
Refectory	812	812	0	0.0%	780	(32)	(4.2%)
Other Supplies and Services	586	743	157	21.1%	441	(145)	(32.9%)
Non-Recoverable VAT	512	593	81	13.7%	553	41	7.5%
Overhead Costs	**4,940**	**5,543**	**603**	**10.9%**	**4,824**	**(157)**	**(3.2%)**
TOTAL COSTS	**6,746**	**7,661**	**915**	**11.9%**	**6,643**	**(145)**	**(2.2%)**

26/27 Draft Budget V 25/26 Projection

- Curriculum Costs are £324k lower than 25/26 projection mainly due to a reduction in Resource Group costs.
- Professional Fees includes legal, consultancy, APUC and recruitment fees as well as some UHI shared services (LIS/HISA). It is anticipated that the costs of this category will fall by £182k during 26/27 due to reductions in recruitment agency fees as well as the Interim Finance Director being replaced by a permanent Head of Finance.
- ICT costs are projected to be £193k higher due to the College moving on from a break/fix scenario to more investment in ICT.
- Estates costs are budgeted to be £348k lower than 25/26 projection as we anticipate capitalising more of these costs as a result of the estates grant being treated as 100% CDEL.
- Finance and Audit costs are £27k lower in the 26/27 budget due to a reduction in external auditors additional fees offset by price increases for internal audit and external audit.
- Other Supplies and Services include insurance costs, equipment leases, copyright costs etc and are expected to be £157k lower in 26/27. This is as a result of additional funds available for 25/26 being held in this category while deciding how this will be spent. It is expected that this cash will be spent by the end of July 26 on estates, ICT and other projects.
- Non-Recoverable VAT is expected to be £81k lower in 26/27 due to the overall reduction in spend.

26/27 Draft Budget V 26/27 FRP Budget

- Direct Staff Costs are for 26/27 draft budget are broadly in line with 26/27 FRP budget.
- Professional Fees are £206k higher than what was reported in 26/27 FRP budget due to more conservative estimates being made in what costs can be cut in 26/27.
- Estates costs are lower in 26/27 draft budget due to a proportion of the costs being capitalised.
- Other Supplies and Services are £145k higher than 26/27 FRP due to rising inflation.

26/27 DRAFT BUDGET - CASH FORECAST

2026/27 Draft Budget	Aug-26 (£000)	Sep-26 (£000)	Oct-26 (£000)	Nov-26 (£000)	Dec-26 (£000)	Jan-27 (£000)	Feb-27 (£000)	Mar-27 (£000)	Apr-27 (£000)	May-27 (£000)	Jun-27 (£000)	Jul-27 (£000)
Income	2,028	2,409	3,105	2,127	1,905	4,008	1,338	2,733	2,733	2,114	2,043	1,991
Staff	(1,573)	(1,685)	(1,628)	(1,628)	(1,646)	(1,628)	(1,628)	(1,646)	(1,628)	(1,628)	(1,646)	(1,628)
Non-Staff	(1,237)	(644)	(718)	(651)	(1,309)	(372)	(792)	(1,281)	(594)	(663)	(628)	(658)
Total cashflow	**(782)**	**80**	**759**	**(152)**	**(1,050)**	**2,008**	**(1,082)**	**(194)**	**511**	**(177)**	**(231)**	**(295)**
Opening balance	1,638	856	936	1,695	1,543	493	2,501	1,419	1,225	1,736	1,559	1,328
Movement	(782)	80	759	(152)	(1,050)	2,008	(1,082)	(194)	511	(177)	(231)	(295)
Closing Balance	**856**	**936**	**1,695**	**1,543**	**493**	**2,501**	**1,419**	**1,225**	**1,736**	**1,559**	**1,328**	**1,033**

The above table provides a high level view of the 26/27 draft budget cash forecast. The following assumptions have been made:

- The opening cash balance of £1,638k is higher than usual due to the spend relating to money received during 25/26 not being paid out in full until August 26, for example the emergency funding of £500k granted by SFC for the repairs of the damage caused by the lecture theatre/ICT suite flood, £160k "Ball in the Wall" funds raised for the Academy of Sports and Wellbeing as well as summer works.
- The income, staff costs and non-staff costs have been phased using the cash profile for 25/26 with adjustments made to the staff costs to take accounts of when pay rises may be paid out .
- There is no provision made for job evaluation payments as this is unlikely to conclude until 2028 at the earliest and Scottish Government have agreed in principal that they will be funding this.
- There is no provision made for repayment of any advance funding from SFC. There is currently £2m on the balance sheet for this and although SFC have given verbal assurances that this will not need to be paid back in full we await further instructions on how to deal with these advances as part of the FFR exercise which will be due at the end of June 26.
- The minimum closing balance required for the college's working capital requirements is approximately £1m.

- **Amendment - Aug 26 cashflow amended to include £160k "Ball in the Wall" funds expected to be used in Aug 26, reducing overall cash position at Jul 27 to £1.033m**

26/27 DRAFT BUDGET - SFC INDICATIVE ALLOCATIONS

RDEL	26/27 Indicative Allocations (£000)	25/26 Budget (£000)	26/27 Indicative Allocations V 25/26 Budget (£000)	26/27 Indicative Allocations V 25/26 Budget (%)	26/27 FRP Budget (£000)	26/27 Draft Budget V 26/27 FRP Budget (£000)	26/27 Draft Budget V 26/27 FRP Budget (%)
FE Teaching Grant inc. NI/Pay Award	9,677	9,034	644	7.1%	8,750	928	10.6%
FE Estates Grant	0	649	(649)	(100.0%)	0	0	0.0%
HE Teaching Grant - Non-Controlled	7,070	6,852	219	3.2%	7,008	63	0.9%
HE Teaching Grant - Controlled (TBC)	782	782	0	0.0%	746	36	4.8%
Resource Group	0	0	0	0.0%	214	(214)	(100.0%)
TOTAL RDEL	**17,529**	**17,316**	**213**	**1.2%**	**16,718**	**812**	**4.9%**
CDEL							
FE Estates Grant - CDEL	758	109	649	597.4%	758	0	0.0%
HE Estates Grant - CDEL	41	42	(0)	(0.8%)	42	(0)	(0.8%)
	799	**150**	**649**	**431.3%**	**799**	**(0)**	**(0.0%)**
Student Support	2,340	2,340	0	0.0%	2,340	0	0.0%
TOTAL CASH	**20,669**	**19,807**	**862**	**4.4%**	**19,857**	**812**	**4.1%**

- The Scottish Funding Council issued the indicative 26/27 funding allocations in March 26 with UHI Executive Office sending the UHI partners their indicative allocations shortly afterwards.
- The final funding allocations should be issued by the end of May 2026.
- The revenue budget position is reporting a modest increase of £213k compared to the 25/26 budget but it should be noted that the Resource Group funds were expected to be an additional grant rather than an advance so this leads to a flat cash position.
- As the estates grant has now to be treated as CDEL, this means an increase in capital funding of £649k.
- Student support is expected to be the same as the original 25/26 allocation which excludes the additional £70k awarded as part of the in-year redistribution of the funds.
- Compared to 26/27 FRP budget, revenue grants are expected to be £812k higher due to the teaching grant increases as well as the estates grant also being treated as CDEL in the FRP. This is offset by the Resource Group cash now being classified as an advance rather than additional cash.
- Overall, the total cash position has improved by £862k (£648K including the Resource Group grant) compared to 25/26 budget and £812k compared to 26/27 FRP budget.

26/27 DRAFT BUDGET - RISKS AND OPPORTUNITIES

No	Risk	Liklihood	Impact	Potential Financial Impact (£000)	Mitigating Actions
1	FE teaching grant - credits fall short of target.	Low	High	100	FE credits have in recent years been oversubscribed for UHI Perth but FE applications, enrolments and withdrawals must be closely monitored so mitigating actions i.e. additional streams of well recruited courses or new February start courses, can be taken. Potential financial impact based on a shortfall of 1,000 credits.
2	HE numbers - FTE targets are not achieved.	Medium	High	150	Previously targeted FTE numbers have not recovered to their pre-covid level so targets must be realistic but ambitious to grow this area. Applications, enrolments and withdrawals must be closely monitored with mitigating actions taken such as maximising student progression from FE to HE. Potential financial impact based on a shortfall of 50 students (HE grant and tuition fees).
3	International Income	Medium	High	170	Existing and potential new partnerships may be at risk as UHI is not a ranked university which may lead to the partners seeking another university to deliver to their students. This is issue is currently being discussed with UHI EO. Costs per student need carefully negotiated with partners to ensure that UHI Perth's costs are being covered while not being priced out of the market. Potential financial impact based on a 10% reduction in business.
4	Commercial Income	High	High	160	Due to funding cuts and the prospect of flat cash funding, UHI Perth has a requirement to grow it's commercial income to help ensure the future financial sustainability of the college. UHI Perth lags behind other colleges in the sector with regards to the short courses offering as well as the SDS modern apprenticeship contract. The appointment of the new Governance, Growth and Change Manager as well as new costing templates and commercial policy currently under development should put more emphasis and drive in this area. Potential financial impact based on a 10% reduction in business.
5	Staff Costs - Increase in Lecturer Pay Offer	Medium	High	100	Negotiations are currently underway between EIS-FELA and College Employers Scotland to secure a three-year pay deal for lecturing staff. There is currently a budget of 3.75% in 26/27 budget for this but there is a risk that this may be higher to avert strike action and funding should be sought from SFC to plug any gaps. Potential financial impact based on a 1% increase in the pay offer for 26/27.
6	Staff Costs - Increase in NI Rates	Low	High	180	The last change to employers NI contribution rates saw the threshold reduced and the rates increased leading to much higher costs for organisations. Although this is not expected to change in the near future this should be considered as a potential risk to financial sustainability. Potential annual financial impact based on a 1% increase in employers NI rates.
7	Staff Costs - Increase in Employers Pension	Medium	High	200	Both the LGPS and STPS are due for their three-yearly valuation with the new rates expected to commence from April 27. Any increases in the employers contribution rate will have a detrimental impact on the college's financial sustainability with cuts needed elsewhere to plug the gap as well as additional funding sought from SFC. Mitigation includes communicating with Tayside Pension Fund to see if there are any indications of what the LGPS rate is likely to be and if there is an opportunity for UHI Perth to be part of the scheme stabilisation mechanism which prevents significant swings in the employers contribution rates in the future. Potential annual financial impact based on a 1% increase in employers contribution rates for both pension schemes.
8	Staff Costs - Job Evaluation	Low	High	2,500	There is continuing uncertainty with regards to the outcome of the job evaluation scheme with the target date for implementation now being 2028. Confirmation is required from Scottish Government that this will be fully funded. Potential impact is the college having to fund this based on projected 25/26 year end accrual.
9	Non-Staff Costs - Inflation	High	High	200	Inflation remains high which will have an impact on the college's costs especially utility costs while the situation in the Middle East remains unresolved. Budget holders need to be aware of potentially rising costs and need to work with the Procurement team to ensure value for money and minimise waste. Potential financial impact is a 3% increase on 26/27 budget non-staff cost base.
10	Non-Staff Costs - Capitalisation	Low	High	200	The estates grant is to be treated as capital funding which means there are no funds available to offset any revenue funding against. Estates and ICT costs in particular will need to be capitalised ensuring that the accounting standards are adhered to so the external auditors do not raise this as an issue. Potential financial impact is 50% of 26/27 capital budget being treated as revenue.
11	Non-Staff Costs - Deterioration of Campus Buildings	High	High	£m's	The campus buildings are deteriorating with maintenance currently being reactive leading to more serious issues arising that cost more money to resolve. A maintenance schedule needs to be put in place to prevent issues and improve our buildings to ensure that the student experience is not compromised as well as proactively seeking funding to improve the estate. The potential financial impact for this can be several millions.
12	Non-Staff Costs - Lack of Investment in ICT	High	High	£000's	There is a need to invest in the college's systems to increase the efficiency of processes and reduce manual processing. This means that staff can spend more time on value added activities such as process improvements as well as improving the student experience. The potential financial impact can be thousands be there would be efficiencies expected from improvements which would need quantified in each business case. Other sources of funding should be researched, i.e. Tay Cities Deal.
13	Non-Staff Costs - Lack of Investment in Staff Training	Medium	High	250	Cuts have been made to the CPD budget meaning that staff are unable to enhance their skills to provide a better experience for the student. Cost effective solutions need to be sought to provide staff training, i.e. College Development Network. The financial impact of this is related to lower than planned recruitment for both FE and HE students as per risks 1 and 2.

No	Opportunity	Likelihood	Impact	Potential Financial Impact (£000)	Actions
1	Transfer of Centre for Mountain Studies	High	High	125	Discussions are currently underway with UHI North West Hebrides with regards to transferring CMS. A date has not yet been agreed so the full years income and costs are in the 26/27 budget. If this transfer takes places before 1st August 26 then a saving of £125k will be made, pro-rata if later in the year.
2	Growth in Commercial Income	Medium	Medium	30	A renewed focus is being made on the college's current commercial courses with a view to increasing the income. There has been new costing templates produced which must be completed for all proposed courses to ensure financial viability, the commercial policy is currently being reviewed and the new Governance, Growth and Change Manager will lead on this area. Potential financial impact of this is based on a 20% increase in short course income without any increase in delivery costs.
3	Growth in SDS MA Contract	Medium	Medium	37	The current Skills Development Scotland Modern Apprentices contract has remained static for the last few years. Places are allocated to UHI who then distribute the places to the UHI Partners. Compared to other colleges, UHI Perth's share of this contract is low and UHI EO usually returns places which haven't been filled to SDS. Discussions are needed to establish what capacity UHI Perth has available to deliver additional places and then this needs discussed further with UHI EO with a view to growing this contract. Potential financial impact of this is based on a 20% increase in SDS MA income without any increase in delivery costs.
4	Transparency in Financial Viability of Courses	High	High	£000's	The new costing templates ensure that all costs, including college overhead costs, are taken into consideration to establish the income needed to ensure financial viability of each course. Each course will calculate the minimum number of students required to break even which can potentially lead to net profits on courses which can be reinvested in the college's resources.
5	New SFC grants available.	Medium	High	£000's	SFC have indicated that there may be grants available relating to poverty, employability and transformation. Although no details are available as yet, the college must be in a position to apply for these grants, minimising the associated delivery costs.
6	Tay Cities Deal funding.	Medium	Medium	40	The college has received funding from Tay Cities for the last few years, the amounts for the past three years have ranged from £42k to £163k. There is nothing in the 26/27 budget at the moment but we will know what funding is available by the end of the current academic year and would hope to tag any income against existing costs. Potential financial impact is a conservative estimate.
7	Growth in Academy of Sports and Wellbeing Income	Medium	High	100	The Academy of Sports and Wellbeing is currently undergoing a review with a refreshed staffing structure put in place as well as investment in gym and climbing wall equipment. Advice will be sought on a strategy to grow the income with the aim of increasing memberships as well as more ad-hoc bookings. The potential financial impact is based on the 26/27 FRP figure.

THREE-YEAR DRAFT BUDGET TO 28/29

CATEGORY	25/26 Projection (£000)	26/27 Draft Budget (£000)	27/28 Draft Budget (£000)	28/29 Draft Budget (£000)
Academic Income	22,792	22,448	22,448	22,448
Commercial Income	3,453	3,747	4,006	4,406
TOTAL INCOME	**26,245**	**26,195**	**26,454**	**26,854**
Direct Staff Costs	12,400	12,777	13,224	13,654
Direct Non-Staff Costs	2,118	1,807	1,861	1,917
TOTAL DIRECT COSTS	**14,518**	**14,583**	**15,085**	**15,570**
CONTRIBUTION	**11,727**	**11,612**	**11,369**	**11,284**
CONTRIBUTION %	**44.7%**	**44.3%**	**44.3%**	**44.3%**
Support Staff Costs	6,054	6,618	6,817	7,021
Support Non-Staff Costs	5,543	4,940	5,088	5,241
TOTAL OVERHEAD COSTS	**11,597**	**11,558**	**11,905**	**12,262**
Restructuring Costs	128	0	0	0
NET SURPLUS/(DEFICIT)	**2**	**54**	**(536)**	**(978)**
NET SURPLUS/(DEFICIT) %	**0.0%**	**0.2%**	**-2.0%**	**-3.6%**

The table above provides a high level three-year projection to 28/29 using the following assumptions:

- Academic income is assumed to be flat cash over the period to 28/29.
- International income will rise by 5% per annum in 27/28 and 28/29.
- Residences income will rise by 3% year on year for the same period.
- All other commercial income will increase by 10% year on year for the same period.
- Curriculum staff costs will increase by 3.5% in 27/28 and 3.25% in 28/29.
- Support staff costs will increase by 3% in 27/28 as per the current pay deal and 3% in 28/29.
- All non-staff costs are assumed to rise by 3% year on year in 27/28 and 28/29.
- There are no restructuring costs over the period.
- The income and costs for the Centre for Mountain Studies remain in the three-year projection.

This results in a deficit of £536k in 27/28 and £978k in 28/29 if no further action is taken. SFC will be issuing their assumptions for the 5-year FFR and this will be looked at in more detail with actions required to ensure future financial sustainability.

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Committee Cover Sheet

Paper No. 5

Name of Committee	Finance and Resources Committee
Subject	Estates Update
Date of Committee meeting	26/05/2026
Author	Dr David G Gourley
Date paper prepared	19/05/2026
Executive Summary Please provide a concise summary of the Paper outlining the purpose, impact and recommended future actions if approved	This report provides the Finance and Resources Committee with an update on key estates, infrastructure and capital maintenance activity across UHI Perth and outlines how current investment and operational activity are supporting delivery of the UHI Perth Strategic Plan 2022–27.
Committee Consultation Please note which Committees this paper has previously been tabled at, and a brief summary of the outcomes/actions arising from this.	n/a
Action requested	☐ For information ☒ For discussion ☐ For endorsement ☐ For approval ☐ Recommended with guidance (please provide further information, below)
Risk implications Does this activity/proposal come with any associated risk to UHI Perth, or mitigate against existing risk? If yes, please provide details	Yes Click or tap here to enter text.

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

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Committee Cover Sheet

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

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UHI Perth

Finance and Resources Committee

Estates and Infrastructure Update – May 2026

Strategic Context

The College estate continues to play a critical role in supporting high-quality learning and teaching, student experience, digital transformation, sustainability, organizational resilience and long-term financial sustainability. Estates activity is increasingly moving from a predominantly reactive maintenance model toward a more proactive and strategically aligned approach focused on lifecycle planning, infrastructure resilience, sustainability and backlog maintenance reduction.

Estates Operating Model and Governance

Work continues on implementation of a revised estates operating model designed to strengthen accountability, improve governance and support more sustainable long-term estate management. The revised approach establishes clearer responsibilities between curriculum areas and Estates services and supports improved prioritization of backlog maintenance, stronger risk oversight and better alignment between strategic priorities and infrastructure investment. It should be noted that the Estates Manager has tendered her resignation and will leave the organization on the 13th of July.

Recovery Following Fire in Brahan Refectory Kitchen

Significant progress has continued following the fire within the Brahan kitchen on 31 October 2025. Replacement kitchen equipment has now been ordered following completion of the procurement exercise, and the College is currently awaiting delivery and installation. Installation activity is expected to be completed before the end of June 2026.

Brahan Building Flooding – SFC Capital Funding Success

Further significant progress has been made in relation to the flooding affecting the Brahan Lecture Theatre and main IT Suite. Following completion of forensic investigation and development of a proposed engineered remediation solution, the Scottish Funding Council has formally awarded UHI funding of up to £505,545 from the SFC Capital Maintenance Fund for restoration of the affected teaching and digital learning facilities.

The proposed project will deliver waterproofing systems, drainage infrastructure, sump pump systems, automated monitoring systems and reinstatement of specialist digital teaching infrastructure. The project will restore critical teaching capacity, improve long-term resilience of the Brahan Building and reduce operational disruption.

Summer 2026 Estates Works Programme

A significant programme of planned estates and infrastructure works will be undertaken during Summer 2026 as part of the College's transition toward a more proactive and strategically prioritised estates maintenance approach.

Description of works	Cost (£)	Status
Glen Lyon (Residence) plant room works	33460	Approved funding from Estates budget
Repairs to prevent water ingress in Goodlyburn offices	5000	Approved funding from Estates budget
Brahan car park resurfacing	188000	Planned, funding from estates budget
Brahan chimney inspection and repairs	8700	Waiting for approval for additional funding
ASW Sports Building replacement flue in Boiler house	1377	Waiting for approval for additional funding
Brahan Boiler replace solenoid gas shut off valve	7000	Waiting for approval for additional funding
LEV servicing	3000	Waiting for approval for additional funding
LEV repairs	11000	Planned funding from estates budget
LEV extraction system installation plumbing workshop	22000	Waiting for approval for additional funding
LEV extraction system installation motor vehicle workshop	16000	Waiting for approval for additional funding
Fire suppression interface and commissioning	6436	Approved funding from Estates budget
Replacement Pannels for Fire protection system	22065	Waiting for approval for additional funding
Goodlyburn theatre air conditioning	17000	Waiting for approval for additional funding

Climbing wall air conditioning	17500	Waiting for approval for additional funding
Brahan theatre air conditioning replacement	17000	Waiting for approval for additional funding

Net Zero and Sustainability Progress

The College continues to make progress in embedding sustainability and climate responsibilities within estates management, infrastructure planning and operational activity as part of its longer-term transition toward net zero readiness.

A range of operational and infrastructure improvements have been implemented including LED lighting upgrades, improved heating controls, automatic PC shutdown software, building consolidation activity, introduction of electric vehicles within estates operations and delivery of energy reduction campaigns.

Progress has also been made in waste reduction, sustainable procurement and climate adaptation planning. This activity supports the College's strategic objectives relating to organizational sustainability, efficient use of resources, modern infrastructure and long-term institutional resilience.

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Committee Cover Sheet

Paper No. 6

Name of Committee	Finance and Resources Committee
Subject	HR and OD Update
Date of Committee meeting	26/05/2026
Author	Jill Elder, Depute Principal
Date paper prepared	19/05/2025
Executive Summary Please provide a concise summary of the Paper outlining the purpose, impact and recommended future actions if approved	Paper provides update on a range of HR related matters for information.
Committee Consultation Please note which Committees this paper has previously been tabled at, and a brief summary of the outcomes/actions arising from this.	N/A
Action requested	☒ For information ☒ For discussion ☐ For endorsement ☐ For approval ☐ Recommended with guidance (please provide further information, below)
Risk implications Does this activity/proposal come with any associated risk to UHI Perth, or mitigate against existing risk? If yes, please provide details	No Click or tap here to enter text.

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Committee Cover Sheet

Strategic Impact Please highlight how the paper links to the Strategic Objectives of UHI Perth or the UHI Partnership: Strategic-Plan-2022-27.pdf If there is no direct link to Strategic Objectives, please provide a justification for inclusion of this paper to the nominated Committee.	N/A
Resource implications Does this activity/proposal require the use of College resources to implement? If yes, please provide details.	Yes If the national job evaluation project continues to stage 2 there will be a resource requirement within HR to support the coordination of the process, supporting the updating of all of the job descriptions, reviewing with staff, outcomes and appeals, and the calculating back pay (that in itself is going to take months and manually done when that part of the project comes on board)
Equality & Diversity Does this activity/proposal require an Equality Impact Assessment? If yes, please provide details.	No
Data Protection Does this activity/proposal require a Data Protection Impact Assessment? If yes, please provide details.	No Click or tap here to enter text.
Island communities Does this activity/proposal have an effect on an island community which is significantly different from its effect on other communities (including other island communities)?	No If yes, please give details: Click or tap here to enter text.
Status (ie confidential or non-confidential)	Non-Confidential If a paper needs to remain confidential for a prescribed period of time before being made 'open', please advise how long must the paper be withheld: Click or tap here to enter text.

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Committee Cover Sheet

Freedom of Information

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

Please select a justification from the list, below:

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

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

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

and

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

Finance and Resources Committee
HR & OD Update May 2026

National Job Evaluation Scheme

College Employers Scotland (CES) have updated that there is a continuing process to identify a provider for the job evaluation scheme, in conjunction with discussion with Trade Unions. It is noted that at this time is not likely that this will move forward until 2028.

National Bargaining

The National Negotiating Committee (NNC) – Lecturing Staff (LS Committee), met Thursday 30 April 2026 to continue discussions on pay.

EIS Pay Claim 2026-2028

EIS submitted a revised proposal on 11th May 2026 which contained the following changes from the initial pay claim:

- reduces the pay claim by 0.5% in both years, from 4.5% and 4.0% to 4.0% and 3.5% respectively;
- moves from an inflationary guarantee in year two to an inflationary re-opener in year two, which would apply if an agreed inflation threshold is met; and
- includes revised wording in relation to DIA and compulsory redundancies.

Following agreement at College Employers Scotland (CES) on Wednesday 13 May 2026, an improved offer was made by management representatives, including an additional year as part of the pay deal.

It was agreed that the Joint Secretaries would continue offline discussions. It was also agreed that any alternative proposals from the Joint Secretaries would be fully considered by CES at its meeting on Wednesday 20 May 2026 which is ahead of the next round of negotiations which will take place on Thursday 21 May 2026.

Employee Relations

The College has no Employment Tribunal claims. However, there are several employee relations issues that the HR team are supporting.

Trade Union Relations

UNISON – We continue not to have any local trained TU reps representing Unison, however we are getting good engagement with the national officers as required.

It is recognised that we do not have Support Staff TU representation on the Board of Management and we have asked National Unison officials to assist with promoting this opportunity.

EIS-FELA – We continue to have good dialogue with EIS-FELA on individual matters raised by members and on wider national issues as they arise.

Voluntary Severance

There is no open VS window at the current time.

Equality and Diversity

The Feeling Safe Survey launching Monday 11th May and will be open until October 2026 to capture feedback from as many students as possible. This will allow us to benchmark against related National Equality Outcomes, identifying areas of good practice and areas for development.

Our Pay Gap Report 2026 was published for on our website for the 30th March deadline. Based on Equality, Diversity and Inclusion Team (EDIT) feedback, HR to update data requirements and complete full reporting for Gender, Race and Disability from 2027.

Sickness Absence

	Cumulative (Aug 2024 - July 2025)		**Cumulative (Aug 2025 – April 2026)**	
	Short Term - Total Sick Days	**Long Term - Total Sick Days**	**Short Term - Total Sick Days**	**Long Term - Total Sick Days**
Management	54	41	15	0
Support	837.21	685	680.56	467
Academic	523	566	390	419
Total	1414.21	1292	1085.56	886

The data above shows the first 9 months of this financial year. The following should be noted:
• Non-Work-Related Stress is the main reason for long-term sickness absence, and Surgery/Recuperation is the main reason for short-term absence during April 2026.
• We had 9 members of staff on long term sickness absence for various reasons during April, 2 of which were with work-related stress.

Headcount and FTE

FTE and Headcount by Job Classification

Job Classification	**FTE**	**Headcount**
Academic	155.65	195
Leisure Tutor	0.00	0
Management	9.5	10
Professional Services	133.97	204
Grand Total	**299.11**	**409**

FTE includes staff with more than 1 post – Headcount only counts each person once regardless of post.

Health Surveillance

We are planning for our Occupational Health provider to come to the campus twice per year to conduct health surveillance for required staff to enhance the service currently offered which is online.

Organisation Development

A full review of our current online Mandatory Training is taking place alongside the updates to our Ciphr HR system as noted below. This review will ensure the required training is accurate, applicable and compliant.

Staff Conference in June is themed ‘Celebrating Success’ with an SLT and campus transformation update, a garden tour, ASW taster sessions and a performance by our Musical Theatre students. This will be followed by a staff BBQ in the Refectory.

Planning is underway for the 2 Development weeks in August 2026 which include a Staff Conference day.

SLT have agreed 10 spaces for TQFE 26/27, invites to staff have been sent out based on the nationally agreed priority requirements.

Systems/Procurement

Following a series of demonstrations with Ciphr, our HR system provider, it has been agreed to enhance our current system through the implementation of the Ciphr Learning Management, Onboarding and Analytics add-ons.

These enhancements will improve the onboarding experience for new staff, significantly increase the accessibility and quality of mandatory training, and provide instant analytical reporting for SLT and PLG, reducing the need for manual reporting. Collectively, these improvements will reduce administrative workload for the HR team and line managers, while enhancing the overall staff experience across HR and training systems.

Reporting

ONS reporting was completed for Q1 recently. HR are now working on the College Staffing return for the SFC which is due soon.

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Committee Cover Sheet

Paper No. 7

Name of Committee	Finance and Resources Committee
Subject	Digital Transformation Update
Date of Committee meeting	28/05/2026
Author	Dr David G Gourley
Date paper prepared	19/05/2026
Executive Summary Please provide a concise summary of the Paper outlining the purpose, impact and recommended future actions if approved	This paper provides the Finance and Resources Committee with an update on progress relating to digital transformation activity across UHI Perth and demonstrates how current investment and operational activity are supporting delivery of the UHI Perth Strategic Plan 2022–27. The update focuses on: • workforce digital capability development • digital infrastructure investment • AI-enabled transformation activity • operational efficiency and workload reduction • learner experience enhancement • externally funded innovation and workforce development projects.
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

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Committee Cover Sheet

Action requested	☒ For information ☒ For discussion ☐ For endorsement ☐ For approval ☐ Recommended with guidance (please provide further information, below)
Risk implications Does this activity/proposal come with any associated risk to UHI Perth, or mitigate against existing risk? If yes, please provide details	Yes Click or tap here to enter text.
Strategic Impact Please highlight how the paper links to the Strategic Objectives of UHI Perth or the UHI Partnership: Strategic-Plan-2022-27.pdf	Insert or n/a
Resource implications Does this activity/proposal require the use of College resources to implement? If yes, please provide details.	Yes
Equality & Diversity Does this activity/proposal require an Equality Impact Assessment? If yes, please provide details.	No
Data Protection Does this activity/proposal require a Data Protection Impact Assessment? If yes, please provide details.	No Click or tap here to enter text.
Island communities Does this activity/proposal have an effect on an island community which is significantly different from its effect on other communities (including other island communities)?	No If yes, please give details: Click or tap here to enter text.

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Committee Cover Sheet

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

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Its disclosure would constitute a breach of the Data Protection Act	☐	Other [please give further details] Click or tap here to enter text.	☐

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and

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

Finance and Resources Committee

Digital Transformation Update – May 2026

Strategic Context

Digital transformation continues to be a key enabler in delivering UHI Perth's strategic objectives relating to:

- high-quality learning and teaching
- workforce modernisation
- organisational resilience
- operational efficiency
- student experience
- regional economic impact
- long-term sustainability

Within a financially constrained environment, the College continues to focus on using digital technologies, automation and AI-enabled tools to improve organisational effectiveness, reduce avoidable administrative burden and modernise learning and working environments.

DigiTay Funding Success – AI for the Workforce

UHI Perth has been successful in securing £113,712 of external funding through the DigiTay Curriculum Development Fund for the AI for the Workforce Project.

The project will deliver a flexible suite of SCQF Level 7+ AI micro-credentials aimed at people already in employment across the Tay Cities region.

The programme has been designed to support workforce upskilling in areas including:

- AI productivity and automation
- prompt engineering
- data-informed decision-making
- ethical AI implementation
- sector-specific AI applications

The project supports wider regional productivity and workforce modernisation priorities and positions UHI Perth as a regional contributor to AI capability development and digital workforce transformation.

The programme will:

- support at least 100 learners to achieve SCQF Level 7+ outcomes
- strengthen employer engagement
- support SME digital adoption
- create progression pathways into further study
- contribute to regional economic development priorities

The project also demonstrates the College's ability to secure external investment aligned to strategic digital priorities without placing additional pressure on core SFC-funded activity.

Digital Skills and Workforce Capability Development

Between February and May 2026, the Digital Skills Trainer continued to deliver a substantial programme of workforce digital capability development activity supporting digital transformation, operational efficiency and AI adoption across the College.

Structured workshops delivered during this period included:

- Microsoft Copilot
- Power Automate
- Microsoft Forms
- Brightspace (Our VLE)
- Excel productivity tools
- MS Planner and Teams
- email automation and workflow optimisation
- emerging AI tools specific for Learning and Teaching.

A comprehensive Summer Digital Skills Programme was also developed and launched to expand workforce digital capability support across both academic and professional services areas.

The focus of this activity has been practical workplace application and operational improvement, including:

- reducing manual administrative activity

- improving workflow efficiency
- enhancing digital collaboration
- supporting AI-assisted productivity
- improving staff digital confidence

Digital Infrastructure and Learning Environment Investment

The College continues to invest in upgrading core digital infrastructure and specialist teaching environments to improve learner experience and support delivery of digitally enhanced curriculum.

Planned Summer 2026 investment activity includes:

- replacement and upgrade of Apple PowerMac devices within Audio Engineering recording studios
- refresh of 45 PCs within the main IT Suite
- upgrade of five classrooms through replacement of legacy SMART Boards with modern interactive touch-screen displays

These investments will modernise both specialist and mainstream learning environments and improve reliability, capability and student access to industry-standard technologies.

The upgrades are expected to:

- improve learner experience
- support digitally enhanced and hybrid learning approaches
- improve classroom interaction and collaboration
- reduce technical disruption
- improve performance and reliability of learning technologies
- strengthen alignment between curriculum delivery and current industry practice.

Within specialist curriculum areas such as Audio Engineering, updated equipment will ensure students continue to develop practical skills using technologies aligned to contemporary professional environments and industry expectations.

Next Steps

Key priorities for the next phase of activity include:

- continued rollout of digital capability development programmes
- implementation of DigiTay AI project delivery
- expansion of workflow automation activity
- further enhancement of digitally enabled learning environments
- continued development of AI-enabled workforce capability
- ongoing monitoring of impact against strategic and operational objectives

Equality Diversity and Inclusion Team (EDIT)

Minute

Date and time: Thursday 26 February 2026, 11.00 am

Location: MS Teams / Rm 019

Members present: Gail Dunn (GD), Chief Financial Officer
Ben Myles (BM), EDI Advisor
Scott Innes (SI), EIS-FELA Rep
Ian Bow (IB), HS&W Adviser
Veronica McIldowie (VMcI), Lecturer
Anita Mackenzie Mills (AMM), Lecturer
Gerald McLaughlin (GM), Student Experience Manager
Becky Angus (BA), Additional Support Officer
Annie Garrigan (AG), Student Counsellor
David Gourley (DG), Director of LSE&R
Samantha Martin (SM), Transitions Officer
Joshua Betts (JB), Student Voice Representative
Joanne Gordon (JG), Student Voice Representative
Paige Coleman (PC), Student Voice Representative

Apologies: Andi Garrity (AJG), HISA Perth President

In Attendance: N/A

Chair: Gail Dunn (GD), Chief Financial Officer

Note Taker: Isobel Syme (IS)

Minute

Item		Action
1.	**Welcome and Apologies** Apologies were noted.	
2.	**Additions to the Agenda for AOCB**	

Item		Action
	None	
3.	**Minute of Previous Meeting** (Paper 1) The minute of the meeting, having been previously circulated, was approved, as a true and accurate record of discussions.	
4.	**Review of actions from previous meeting / Matters arising that are not included elsewhere on the agenda**: N/A	
5.	**Trade Union Items** SI noted nothing major to report at the moment. EIS members have been made aware that they can raise issues through this forum.	
6.	**Equality, Diversity & Inclusion Adviser Update** Trans Inclusion - Legislation Update • BM shared 4 cases updates – 2 judicial reviews, 2 employment tribunals – which have informed planning around appropriate facilities available: Sex Matters v City of London (Hampstead Ponds case); Leonardo v Kelly; Peggie v NHS Fife; GLP v EHRC • Differing rules for service providers (broadly trans inclusive) and workplaces (potentially trans exclusive) make the legal position difficult to navigate as an organisation operating as both • We are continuing to offer Male, Female, and Gender Neutral / Accessible facilities – legal advice confirms that this meets our current obligations • We could pre-emptively add signage near toilets to indicate the different facility types available, or wait for any feedback to indicate this is necessary • Continuing to monitor for updates and seek further legal advice when needed	

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Item	Action
Feeling Safe Survey • BM working on an anonymous survey to capture information about feelings of safety for different groups on campus, contributing to 3 NEOs specifically about feeling safe • Includes questions about feelings of safety on campus, in interactions with students / staff, and awareness of complaints processes • Based on EDIT feedback, BM has added: signposting to sources of support; opportunities for further engagement (e.g. interviews, focus groups) • DRAFT Feeling Safe at UHI Perth - 2026 – Fill in form – further feedback welcome, will make changes based on feedback w/c 23rd March BM will share with the group before the survey goes out. Discussion took place regarding when to send the survey out, question set and how best to engage. EDI CPD • Bystander Intervention training progressing, 20 staff now trained – next sessions on 22nd April, 18th June • Sam Monie currently piloting bystander intervention sessions for students with positive feedback so far • New training in development on trauma-informed writing; intended to be useful for anyone who writes in their role, particularly tailored to writing about others but can also be used for more general writing (e.g. policies) • Overall aim with CPD is to offer sessions which are accessible to anyone while having enough depth / practical takeaways to also provide value to people with EDI experience • BM plans to offer to deliver sessions at existing team meetings to improve accessibility ScotGov – Mainstreaming Toolkit • Released and expected that organisations with mainstreaming responsibilities will use it to support their reporting – available here: Equality and Human Rights Mainstreaming Toolkit | Scottish Government	**All**

DRAFT

Item	Action

Pay Gap Report 2026

- Draft prepared, once SLT approved and board informed, this will be published to website ahead of 30th March deadline
- Mean pay gap data:
  - Gender pay gap decreased slightly to 7.5% and is now lower than Scottish average (10%)
  - Increase to -4.3% (+2.9%), maintaining gap in favour of colleagues who have shared ethnic minority status
  - Disability pay gap now at 0% (-1.56%)
- More detailed breakdowns in full report – e.g. intersectional pay gaps, quartile representation

AMM noted that statistical analysis is a complex area subject to different calculations and interpretations. A pay gap may appear to be improving on one metric, but does it reveal whether there is increasing parity in things such as management representation across groups? A wider pay gap analysis might show that there is still a disparity that isn't being addressed. The anti-racist short life working group analysis of data identified the need for affirmative action in terms of encouraging global majority representation at a senior/management level, and there was an action/commitment to work to ensure that this would go forward. However this seems to have been dropped, and AMM noted that it is still of relevance.

AMM talked about the work of the Short Life Working Group on Anti-Racism, and the action plan that was agreed upon at that time, which has not remained active in the consciousness of UHI Perth, partly because all the senior personnel have since left. It was noted that there should be an action to look at this. Many staff and students gave a lot of time to the process (which took around 18 months), data was produced and analysed and we had an external chair to lead the process. At the time it was agreed that it was important work, and if anything the societal pressures have got worse not better, so it should remain a priority.

SI queried how we communicate ongoing updates from these groups. AMM also asked how we action change. Discussion then took place regarding how we can get more people involved eg EDI champions.

EDI Champions

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Item		Action
	• BM planning to create an enhanced digital space on teams for increased accessibility / engagement, so more people can engage asynchronously • Will also offer optional, targeted opportunities for live engagement instead of quarterly meetings • New structure will include updates on EDI matters, sharing CPD opportunities and resources, spaces to ask questions etc. EDI Data • Updates to Ciphr equality monitoring progressing – data cleansing complete, now need to create new fields and develop training materials; currently on track to launch 26/27	
7.	**EDI policy – awareness and effectiveness research** JG reported on research being undertaken as part of their course which will look at the EDI policy within further education. A survey of staff and students within the Accounting, Business Admin and IT curriculum area will be sent out, which will be anonymised. Responses will then be shared with the group.	
8.	**EDIT Members Updates** – *any other items not included elsewhere on the Agenda* Member Update from AJG is that whilst February is LGBTQ+ History Month the HISA the Activities & Engagement Co-Ordinator / Local Co-Ordinator for UHI SAMS & Argyll has published an article on the HISA website 'Pride: the Riot Behind the Party'. I have also been working on an article around the importance of education of LGBTQ+ history and how abolished laws have still have an effect on teaching in some areas which is due to release around the time of this committee. 'Pride: the Riot Behind the Party': https://hisa.uhi.ac.uk/news/article/6013/Pride-the-Riot-Behind-the-Party/ With the 2026 Student Elections, HISA is moving to have one Sabbatical Officer with the title 'Perth Depute President' and no part time officer at Perth College UHI. I know the Terms of Reference have been changing a fair bit but can a request please be put in to the new chair to update from HISA Perth President to	

Item		Action
	HISA Perth Depute President effective from July 1st 2026 as there will no longer be a HISA Perth President then. Elections Post List: https://hisa.uhi.ac.uk/elections/postsandcandidates/13/ Also my article *Pride: The Importance of Education* has been published this afternoon! https://hisa.uhi.ac.uk/news/article/6013/Pride-The-Importance-of-Education/ Discussion took place regarding possible ways to get further engagement within and out with this group. DG noted that group members are also here to listen as well as contribute. GM and AG provided an update to the group across the student support areas who work with various third-party organisations that support students. It was agreed that the EDIT Members Updates could be sent in advance of the meeting giving members time to read and digest and ask questions at the meeting. IS to add this when sending out asking for agenda items.	**IS**
9.	**AOCB** N/A	
10.	**Date of Next Meeting:** Next meeting will take place on 7 May 2026	
	Meeting finished at: 12.17 pm	

Information recorded in College minutes are subject to release under the Freedom of Information (Scotland) Act 2002 (FOI(S)A). There are certain limited exceptions, but generally all information contained in minutes is liable to be released if requested.

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.

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

FINANCE AND RESOURCES COMMITTEE

Membership

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

In attendance

Depute Principal
Chief Financial Officer
Other appropriate staff members of the College by invitation

Quorum

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

Frequency of Meetings

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

Terms of Reference

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

13 Consideration of all matters relating to:

a the establishment and staffing structure of the College;

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

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

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

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

17 Review annually the Terms of Reference for the Committee and its composition and make any necessary recommendations for change to Chairs Committee

Reviewed March 2026