

# Strategic Development Committee

## Minutes

**Meeting reference:** SDC 2023-24/04

**Date:** Wednesday 22 May 2024

**Location:** Boardroom (Braham Room 019)

**Members present:** Jenny Hamilton, Board Member (Chair)  
Elaine Piggot, Board Member  
Derek Waugh, Board Member  
Margaret Cook, Principal & Chief Executive  
(left the meeting at 6.25 pm)

**In attendance:** Lorenz Cairns, Depute Principal  
Veronica Lynch, Vice Principal (External)  
Lynn Murray, Depute Principal (Operations)  
Catherine Etri, Vice Principal (Academic)  
Isobel Syme, PA to Principal and Chief Executive

**Apologies:** Michael Buchanan, Board Member  
Rebecca Bond, Student Board Member  
Jill Elder, Sector Development Director

**Chair:** Jenny Hamilton

**Minute Taker:** Isobel Syme

**Quorum:** 3

## Minutes:

Item		Action
1.	<b>Welcome and Apologies</b>  Chair welcomed all present to the meeting, and apologies noted.	
2.	<b>Additions to the Agenda</b>  There were no additions to the Agenda.	
3.	<b>Declaration of Interest in any Agenda Item</b>  There were no declarations of interest.	
4.	<b>Minutes of Meeting held on 7 March 2024</b>  The minutes were agreed as being an accurate record of the meeting.	
5.	<b>Matters Arising from Previous Minutes</b>  Glossary of acronyms to be circulated.	Clerk
6	<b>Items for Discussion</b>	
6.1	<b>UHI Perth Sustainability Proposals</b>	

Chair noted that we will be looking at this strategically rather than operationally. We need to ensure that the College meets its financial obligations.

Principal advised that our financial situation has now moved to a better position.

Depute Principal Operations talked through a summary presentation.

Savings required – position in January 2024		Savings required – position in May	
	£m		
Forecast shortfall to end of July	1.7	Forecast shortfall to end July	
Proposed pay award – 2024/25	0.8	Proposed pay award – 2024/25	
	2.5		
<b>Estimated reductions in funding</b>		<b>Approved Funding allocations</b>	
FE	0.7	FE – no reduction	
HE	0.5	HE - increase	
FWDF	0.3	FWDF	
<b>Total savings required</b>	<b>4.0</b>	<b>Total savings required</b>	

Noted that our FE funding has not been reduced and we received an increase in our HE funds.

With regard to the pay awards, Unison are out to ballot and if this is accepted this may be paid out in the July salaries. It has been flagged to UHI that we do not have the money for these pay awards or for the VS money that will be required and that we will need loans to meet our obligations.

Chair queried the pay awards and the VS payments regarding the cash situation and a Board Member queries how we maintain a breakeven position. It was clarified that irrespective of any decision around the total savings now required, we simply do not have sufficient cash to meet the likely upcoming pay awards and VS payments. In this respect the two issues are separate (although related).

Depute Principal Operations advised that best, worse and mid-case scenarios have been undertaken. VS will need to be paid and we have factored this in to our 3-year projections.

The £1.5 million estimated VS costs were discussed and the Principal advised that historically we have asked EO and the Scottish Funding Council to fund this. However, we have been told that this will not be funded and we have now asked for a loan. More information is being asked for from the SFC. Pay awards monies can be drawn down from the SFC so that we can continue to operate, however there are no guarantees at the moment. We need to get to break even by 2024/25.

Chair noted that if we don't get the loan then it is not clear what the implications will be going forward, and how this related to accounting forecasting.

We continue to note that we pay £5 million top slice to the UHI each year.

Depute Principal Academic advised that there is a cutoff point where this will seriously impact our ability to provide a good student experience.

Board Member asked what happens if we do not make enough savings through VS.

Principal explained that we do not have permission for compulsory redundancies at the moment. We will need to do this in case we need to make compulsory redundancies in the future, however we will continue to use VS where we can. It was noted that the VS cutoff date is past, and this will then feed into the data that the Depute Principal Operations is working with. By the end of the week we will know how many people have accepted VS. There is also a number of redeployment opportunities.

Meetings are scheduled with various politicians over the next couple of days with the Senior Leadership Team. Nine meetings have taken place to date with trade unions and these have been extended into next week. We have scheduled various engagement meetings for staff and students.

On the issue of whether to proceed with the £4 million of cuts, the Chair noted that we should present our views to the Board and state our concerns for them to consider.

Board Member stated that the paper has carefully considered where the cuts can be made while still allowing the college to continue to operate.

Principal responded that in reality we cannot take this amount of savings out and not have an impact. We are looking at minimising the detrimental impact as much as we can. In light of the changes with regard to our financial position we will be looking at what we may want to revise later this week. Principal noted that we pay around £5 million pounds to UHI through the top slice.

Board Member noted the impact regarding the stress and anxiety of going through this year on year if finances continue to be problematic and the need for adequate resources in Finance to ensure information is relevant and up to date. The Depute Principal Operations stated that even if we were to make the £4m cuts, given the state of the funding provided to the sector it is not possible to state that we will not have to go through this exercise again next year or years thereafter.

Depute Principal Operations explained that the interim Head of Finance is continuing to get a better understanding of our financial situation, however this will be at a high level. The Union consultation process has taken priority and we currently have limited capacity within the team.

Deputy Principal Academic advised that we should not underestimate the impact on our students. We are suffering reputational risk. Students are making decisions about whether they want to continue to study with us and we have higher level of students looking elsewhere. This situation will also impact on

	<p>withdrawals and our overall student experience will be lower. The impact on our KPIs will be different moving forward.</p> <p>Principal reiterated that none of this is risk free. We are going back in to talk to the trade unions on Monday next week. There is 9 days of industrial action coming up with EIS as well as ASOS (action short of a strike). We are not the only college who are making cuts – this is happening across the sector. We will be revising the proposals but to what degree remains to be seen.</p> <p>Depute Principal Operations noted that there will be pay awards in future years – however we are getting no more funding. We need to be realistic that we will probably need to do this again in the future and we need to be better at planning over a period of time.</p> <p>Chair noted that we made a commitment to staying in UHI. However we may need to revisit this in line with the extent to which the top slice affects our financial situation.</p> <p>Principal responded that we have been instructed by the funding council that we cannot come out of UHI. Thanks given to the committee for their views.</p> <p>Board members thanked the Senior Leadership Team for all the hard work done to date and for the continuing work needed.</p> <p>Thanks given to Vice Principal External for all her contributions in respect of the UHI Perth Sustainability Proposal.</p> <p>Discussion concluded.</p>	
6.2	<p><b>UHI Perth Financial Sustainability Project – Workstream 5 (Commercial)</b></p> <p>Vice Principal External spoke to the paper highlighting key areas to the committee noting that this workstream looked at profitable income streams including ASW, international and business development and potential growth opportunities within these areas. This workstream also included the Nursery however we could not find a way to make this profitable.</p> <p>The proposals are to make investment in International, consolidate the business development activity and to retain the ASW as a commercial entity.</p> <p>Chair noted that other commercial opportunities including community engagement are not within this paper.</p> <p>Vice Principal External advised that we do need to consider capacity and be realistic to ensure we can deliver before we consider any additional commercial income streams.</p> <p>Board Member agreed that we would need to invest before we can take on any additional projects, however very supportive of this paper.</p> <p>Vice Principal External noted that a number of conversations have already taken place regarding philanthropy and fundraising and the UHI central team are willing to support this and take on the scholarship work that we undertook previously.</p>	

	<p>Chair noted the lack of development of micro-credits and digital initiatives along with short courses.</p> <p>The lack of support regarding Marketing and social media from UHI discussed.</p> <p>Depute Principal Operations noted that there needs to be an investment of time and resources to take the other income streams forward. A costing model and business case to focus on profit to ensure these are viable proposals is being looked at.</p> <p>The top slice and the financial difficulties of individual partners noted.</p> <p>The Committee noted their support for the approach within this paper and noted that UHI need to play their part in this.</p> <p>Discussion concluded.</p>	
<b>6.3</b>	<p><b>Balanced Scorecard/KPI Review</b></p> <p>Depute Principal Academic provided an update to the Committee including the very successful Education Scotland visit recently. All the workstream leads had advised that the KPIs were still relevant. It was noted that this is year 3 of this 5-year strategy.</p> <p>The Balanced Scorecard KPIs gone over in relation to percentages and figures.</p> <p>Board Members advised that a commentary and actual numbers would be helpful and when analysing the risks we will need to be a bit more realistic around the targets.</p>	Depute Principal
<b>7</b>	<p><b>Date and Time of next Meeting:</b></p> <p>Thursday 12 September 2024 (tbc)</p>	
<b>8</b>	<p><b>Review of Meeting</b> (Committee to review Terms of Reference, and to ensure all competent business has been covered)</p> <p>Chair noted that this will be put on the agenda at some point – possibly at next meeting.</p>	Clerk