

## **UHI Perth**

## **Externally Facilitated Effectiveness Review**

**October 2024**

**FINAL REPORT**



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## 1 INTRODUCTION

The Code of Good Governance for Scotland's Colleges (the Code) sets out the principles of good governance for colleges in Scotland. This review is against the 2022 Edition of the Code.

All colleges that receive funding from the Scottish Funding Council or a regional strategic body must comply with the Code as a condition of grant. Each board must state its adoption of the Code in its corporate governance statement contained within its annual financial statement.

The five principles set out in the Code provide a framework within which colleges are expected to develop their own policies and procedures.

The Code states that the college board must have in place a robust self-evaluation process. Para D. 24 states

*'The Board must keep its effectiveness under annual review and have in place a robust self-evaluation process. There should also be an externally facilitated evaluation of its effectiveness at least every three to five years.'*

'The Guide for Board Members in the College Sector' and the 'Board Development Framework' provide additional guidance for college board members and college Governance Professionals.

### Methodology

This external effectiveness review included several stages aimed at building up an overview of the board's effectiveness. The components of the review process were:

- Initial meeting with the Governance Professional to agree the scope of the review and the overall project plan
- Phase 1 interviews with the
  - Chair
  - Vice Chair and Chair of Audit
  - Principal
  - Chair, Strategic Development Committee
  - Student Member
  - Staff Member
  - Independent Member
  - Governance Professional
- Observation of the 6th of June Board meeting
- Desk review of core governance documentation, including board agendas and papers, audit reports and committee terms of reference
- Board survey to seek Members' views of governing processes
- Phase 2 interviews with the remaining board members to review conclusions and recommendations. These replaced the board workshop which would normally be held to consider the outcome of the effectiveness review. Given it was the summer holiday period it was not feasible to hold a board workshop during that time.

## 2 EXECUTIVE SUMMARY

This is a committed and strategic board which benefits from strong leadership from a skilled and experienced Chair.

It is clear that the quality of the student experience is at the core of board discussions and decision making.

The UHI Perth Strategy 2022-27 sets out the College Vision and Strategic Objectives which are underpinned by strategic KPIs. There is a robust performance management framework in place and a clear line of sight between the strategic objectives and the KPIs which are monitored by the board and the sub committees.

The board and the committees are supported by a skilled and experienced Principal and executive team and a highly competent Governance Professional.

Board members have an excellent range of skills and experience. There has been some turnover with the loss of long-standing experienced members and the appointment of new members. Consideration needs to be given to building the new board 'team,' and creating opportunities for members to build effective working relationships

The Governance Professional maintains a 'Code of Good Governance Checklist' which provides evidence and assurance of compliance with the Code.

The conclusion of the phase 2 interviews was that, without exception, the members interviewed agreed with the findings of the review and the recommendations.

It should be noted that this review was undertaken during a period of significant change and challenges including

- Work progressing on the UHI Target Operating Model
- The significant challenges facing the college sector in relation to national pay bargaining and ongoing industrial action
- Restructuring of the senior leadership team
- Financial challenges facing the sector and the college

### **Board Statement on External Effectiveness Review**

The Board of Management of UHI Perth takes its governance responsibilities very seriously, and is always keen to absorb methods to continually improve its outlooks, practices and cultures.

Additionally, UHI Perth's key stakeholders should be assured that strategic decision-making is taken in line with the principles of good governance expected by our learners, our communities and our funders.

The Board is therefore delighted to receive the latest External Effectiveness Review from the College Development Network, and commits to implementing the recommendations provided within the Review fully, timeously and without reservation.

### 3 EFFECTIVENESS REVIEW AGAINST THE CODE FOR GOOD GOVERNANCE IN SCOTLAND'S COLLEGES

#### 3.1 Leadership and Strategy

This is an effective and committed board which provides strategic leadership for the college. The board is led by a skilled and experienced Chair who has established a learner focussed culture based on respect, openness, and collective responsibility.

The board demonstrates collaboration and teamwork, and the Chair encourages open discussion and contribution from all members.

Board members were fully engaged with the strategic planning process, determining the vision, strategic direction, and values for the college.

The UHI Perth Strategy 2022-2027 states

*‘Our new strategy was developed through extensive consultation with our staff, our learners and all other key stakeholders and it reinforces our commitment to continuously enhance the learner experience.’*

The UHI Perth Strategy 2022-2027 sets out the College’s strategic objectives, each of which is underpinned by a set of Key Performance Indicators. The board receives a Balanced Scorecard which reports progress against each of the strategic KPIs.

The Strategic Development Committee has responsibility for actively engaging in the development, review, and monitoring of the College’s Strategic Plan.

The board is kept informed on the work progressing on the UHI Target Operating Model, and the Chair and the Principal provide ongoing progress reports to the board. The Chair of the UHI Court attends UHI Perth board meetings as an observer, providing opportunity for challenge and debate.

The board has regard to economic and social wellbeing of the area, and the Principal and senior staff are well connected to local planning structures.

#### 3.2 Quality of the Student Experience

The quality of the student experience is clearly at the core of committee and board discussions and decision making.

The ‘Your Students’ Association Report’ is taken early in the board agenda, and members have keen interest in the report.

The Chair and the student members have regular dialogue.

The Learner Engagement Committee has oversight of and provides assurance on the quality and inclusivity of the student experience. Both student members were members of this committee during 2023/24.

The board received a positive report from the Education Scotland Annual Engagement Visit at the June board meeting. The report highlighted high levels of student satisfaction and positive outcomes across a number of areas at being above sector averages.

### 3.3 Board Accountability

Board decision making is transparent and rigorous, and decisions are made in the spirit of collective responsibility. The Chair effectively summarises board discussion and agreed actions.

Board agendas are well structured, and papers are high quality and support strategic decision making, although the volume of papers should be kept under review. Given the volume and complexity of board papers consideration should be given to the use of a board 'portal' to help members manage their board and committee papers.

All committees have Terms of Reference in place. There is effective communication and an appropriate level of trust between board and committees who deal with the substantive issues and scrutinise on behalf of the board. The committee chairs provide a written report to the board highlighting key issues for board attention.

There is a review of each meeting at the end to reflect and check that the meeting has been conducted in line with the terms of reference.

The Governance Manuals for Perth UHI are published on the college website and have recently been updated to reflect Trade Union members joining the board.

The Governance Professional maintains a **Code of Good Governance Checklist** which indicates compliance in all areas apart from the nationally agreed *Staff Governance Standard*, which is partially compliant.

### Risk Management

The board have agreed the risk appetite for the college. Members have expressed confidence in the move to an Enterprise Risk Management Model which is linked to the strategic plan and KPIs and is viewed as a more strategic and robust approach to risk management.

The Annual Internal Audit Report 2022/23 by Henderson Loggie stated

*‘In our opinion, the College has adequate and effective arrangements for risk management, control, and governance. This opinion has been arrived at taking into consideration the work we have undertaken during 2022/23 and in previous years since our initial appointment.’*

The board takes a robust approach to financial sustainability. The Finance and Resources Committee and the board and receive reports on the Financial Sustainability Project which sets out the savings target for the college. Ensuring that the finance team have sufficient capacity to provide the financial reports that board members require has been expressed as a priority at the most recent board meeting.

### **3.4 Board Effectiveness**

Both the Chair and the Principal are highly skilled and experienced, and they have established an effective working relationship based on mutual respect and an understanding of their respective roles and responsibilities.

The Chair effectively leads the board, encouraging open debate and teamworking and fostering an appropriate balance of constructive challenge and support to the Principal and the executive team.

The agenda for each meeting includes a review of the meeting at the end.

There is a mature relationship between the executive team and the board based on a mutual understanding of roles and respect. Board members are confident that they would receive early warning of any issues requiring board attention.

The board is supported by a highly competent and experienced Governance Professional who provides valuable advice and guidance.

The board is going through a period of transition with the loss of long standing, experienced members, and the appointment of three new members in March 2024, and two further non-executive board vacancies currently require to be filled. The board now has a new Vice Chair, a new SIM and three new committee Chairs.

Given the turnover succession planning is important. New committee Chairs are in place but following the next round of appointments a review of committee membership based on the skills mix, would be beneficial.

There is an excellent range of skills and experience on the board and there is a feeling of collaboration and teamwork. However, given this is now a relatively ‘young’ board in terms of tenure, measures should be considered to build the board ‘team.’

The Board and Committee Meeting Schedule for 2024-25 includes four Board Development Evenings, and team building should be a feature of these sessions.

New members would benefit from the board induction training being delivered on a group basis where possible.

Newer members would welcome more opportunities to meet board colleagues in person and build relationships with fellow board members.

Members have expressed a desire more time for deeper discussion, although the committee meetings do provide a platform for more in-depth discussion.

Incoming student members attend the last meeting of the previous year, along with outgoing student members providing a useful handover which is good practice. For a number of reasons student member attendance at board meetings over the last year has not been consistent. This has been noted and looking forward to the next academic session members are keen to encourage full student member engagement.

### **3.5 Relationships and Collaboration**

The UHI Perth Strategic Plan 2022-27 was developed through extensive collaboration with staff, students, and other key stakeholders. 'Partnership and Collaboration' features in the college vision, with a strategic objective focussed on 'Relationships.'

As reported above the board are fully engaged with UHI Target Operating Model. The Chair and the Principal provide regular updates and the Chair of the UHI Court attends UHI Perth board meetings as an observer providing an opportunity for discussion and debate.



## 4 RECOMMENDATIONS

1	<p><b>Building the Board Team</b></p> <p>This is a 'young' Board with a high proportion of relatively new members, and a further two new non-executive members to be recruited.</p> <p>Building the new Board 'team' requires careful planning and consideration should be given to</p> <ul style="list-style-type: none"> <li>• building the confidence of newer members, encouraging them to have a voice and use their skills and experience to provide constructive challenge and support</li> <li>• enabling newer members to develop their understanding of the sector and the current challenges</li> <li>• creating space for members to get to know each other and build effective working relationships</li> <li>• consider board induction training being delivered on a group basis</li> </ul>
2	<p><b>Succession Planning</b></p> <ul style="list-style-type: none"> <li>• Review committee membership following the next board appointments</li> </ul>
3	<p><b>Board Papers</b></p> <ul style="list-style-type: none"> <li>• Keep the volume of papers under review</li> <li>• Given the volume and complexity of board papers consideration should be given to the use of a board 'portal' to help members manage their board and committee papers.</li> </ul>

## **5 ANNEX 1**

### **5.1 Document Review**

1. UHI Perth Governance Manual
2. Committee Terms of Reference
3. Board Agenda and Papers December 2023 and June 2024
4. Internal Audit Reports
5. Board member tenure, committee membership
6. Board EER Action Plan - Reviewed June 2021
7. Code of Good Governance Checklist (September 2023)
8. Risk Appetite Statement
9. Risk Report November 2023
10. UHI Perth 2022-27 Strategic Plan

#### **Footnote**

The reviewer would like to thank the Board Chair, Principal, members, and the Governance Professional for their assistance and insight with this external effectiveness review.

**Committee Cover Sheet**

Paper No. 10

<b>Name of Committee</b>	Board of Management
<b>Subject</b>	UHI Perth Board External Effectiveness Review 2024 – Final Report
<b>Date of Committee meeting</b>	23/10/2024
<b>Author</b>	Candy Munro, CDN
<b>Date paper prepared</b>	16/10/2024
<b>Executive Summary</b> Please provide a concise summary of the Paper outlining the purpose, impact and recommended future actions if approved	<p>Paper presented is the Final Report of the recent UHI Perth Board External Effectiveness Review 2024.</p> <p>Board is required under the Code of Good Governance for Scotland's Colleges to undertake an External Effectiveness Review every 3-5 years.</p> <p>Previous Review for Board of UHI Perth was tabled for approval at Board meeting of June 2020.</p> <p>Review includes recommendations for further improvements for the Board.</p>
<b>Committee Consultation</b> Please note which Committees this paper has previously been tabled at, and a brief summary of the outcomes/actions arising from this.	Presented to Chairs Committee for comment.
<b>Action requested</b>	<p><input type="checkbox"/> For information</p> <p><input type="checkbox"/> For discussion</p> <p><input type="checkbox"/> For endorsement</p> <p><input checked="" type="checkbox"/> For approval</p> <p><input type="checkbox"/> Recommended with guidance (please provide further information, below)</p>

## Committee Cover Sheet

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

**Committee Cover Sheet**

<b>Status</b> (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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**Freedom of Information**

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

Please select a justification from the list, below:

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

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](http://www.itspublicknowledge.info/web/FILES/Public_Interest_Test.pdf)

## Board of Management

### Minutes

**Meeting reference:** Board 2024-25/01

**Date and time:** Wednesday 23 October 2024 at 5.00pm

**Location:** ASW (Room 961)

**Members present:** Graham Watson, Chair, Board of Management  
Jenny Hamilton, Board Member  
Chris Lusk, Board Member  
Debbie McIlwraith-Cameron, Board Member (from Item 7.3)  
Elaine Piggot, Board Member  
Ian Robotham, Board Member  
Derek Waugh, Board Member  
Alistair Wylie, Board Member  
Margaret Cook, Principal & Chief Executive  
Patrick O'Donnell, Staff Board Member  
Xander McDade, Student Board Member  
Andi Garrity, Student Board Member  
Ronnie Dewar, Trade Union Board Member

**In attendance:** Lynn Murray, Depute Principal (Operations)  
Gavin Stevenson, Director of Finance  
Ian McCartney, Clerk to the Board of Management

**Apologies:** Mary Fraser, Board Member  
Jenni Harrison, Board Member  
Winston Flynn, Trade Union Board Member  
Lorenz Cairns, Depute Principal (Academic)

**Chair:** **Graham Watson**  
**Minute Taker:** Ian McCartney  
**Quorum:** 9

UHI Perth is a registered Scottish charity, number SC021209

**We will act with integrity in everything we do**

**Student Centred + Innovative + Ambitious + Respectful + Inclusive + Collaborative**

## **Current Action Log**

<b>Initial Meeting date</b>	<b>Topic</b>	<b>Action</b>	<b>Owner</b>
17 October 2023	Development Trust	Board to receive process update re winding up of Development Trust	Principal
23 October 2024	Chair's Report	Board to be provided with update re progress on OBC	Chair
23 October 2024	Principal's Report	Principal to issue comms to internal and external stakeholders re Colleges Scotland submission to Scottish Government re draft budget	Principal
23 October 2024	Draft Budget	Board to receive 3-year Cashflow as soon as possible to enable Board to articulate requirements for funding	Director of Finance
23 October 2024	Draft Budget	Board to discuss levers available and bigger picture around wider problems that may or may not be resolved via OBC	Board
23 October 2024	Draft Budget	Budget to be approved pending additional work per above	Board
23 October 2024	Draft Budget	Communicate key funding issues to UHI and SFC	Chair
23 October 2024	Pension Strain	Board to be provided with actual vs assumed Pension Strain costs (budgeted as a %age)	Director of Finance
23 October 2024	Annual H&S Report	Volunteer info re Board H&S Champion to be circulated	Clerk
23 October 2024	External Effectiveness Review	Development Plan to be compiled and circulated	Clerk
23 October 2024	Balanced Scorecard	Time to be found to analyse in more detail – possible use of Board Development Evening	Clerk

## MINUTES

Item		Action												
1.	<b>Welcome and Apologies</b>  Chair welcomed everyone to the meeting and noted apologies.													
2.	<b>Additions to the Agenda</b>  Board noted the formal approval of the Audited Accounts and Financial Statements had taken place at the Board Development Evening on Thursday 26 <sup>th</sup> September 2024 to enable these to be lodged with SFC via UHI.  The formal record of this process is noted under Addendum A of these minutes, listed as Item 14.													
3.	<b>Declaration of Interest in any Agenda Item</b>  There were no Declarations of Interest noted.													
4.	<b>Minutes of Extraordinary Board of Management meeting, 05 June 2024</b>  The minutes were <b>APPROVED</b> as an accurate record of the meeting.													
5.	<b>Minutes of Board of Management meeting, 06 June 2024</b>  The minutes were <b>APPROVED</b> as an accurate record of the meeting.  Chair noted that it would be useful for Board to receive a reconciliation of the actual savings vs the £3.2m approved by Board to monitor what has and will be achieved.	SLT												
6.	<b>Matters Arising</b> <table><thead><tr><th>Initial Meeting date</th><th>Topic</th><th>Action</th><th>Status</th></tr></thead><tbody><tr><td>17/10/2023</td><td>Development Trust</td><td>Board to receive process update re winding up of Development Trust</td><td>Remains Ongoing</td></tr><tr><td>14/12/2023</td><td>Approval of Accounts</td><td>Extraordinary Board meeting to be organised early in 2024 to scrutinise and approve Financial</td><td>Completed 26/09/2024</td></tr></tbody></table>	Initial Meeting date	Topic	Action	Status	17/10/2023	Development Trust	Board to receive process update re winding up of Development Trust	Remains Ongoing	14/12/2023	Approval of Accounts	Extraordinary Board meeting to be organised early in 2024 to scrutinise and approve Financial	Completed 26/09/2024	
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	Statements & Audited Accounts	
7.1	<p><b>Chair's Report</b></p> <p>Chair noted the follow-up information circulated to Board Members around the Target Operating Model.</p> <p>Chair thanked all concerned regarding the recent successful Graduation event, despite the inability to parade through the city.</p>	
7.2	<p><b>Principal's Report</b></p> <p>Principal summarised Paper 3, noting that discussions would be taken forward around what may replace the Graduation Procession in future years.</p> <p>Principal advised that there had been limited work since September around the UHI OBC, although a Transition Board was scheduled for next week.</p> <p>Principal noted that UHI partners had failed to collectively purchase and HR &amp; Payroll system as previously noted, and updated Board on the current position around Pay Awards</p> <p>Chair queried whether there had been any local input to the College's Scotland submission to Scottish Government re the draft Budget. Principal agreed to issue comms to internal and external stakeholders.</p> <p>Board Member suggested it would be useful for Board to be updated on a regular basis re UHI OBC given previously noted timelines. Chair agreed to provide Board with any updates re progress on OBC, noting that the most recent email issued referred to the next stage as "discussions in early November".</p> <p>Paper 3 was <b>NOTED</b> by the Board.</p>	<p>Principal</p> <p>Chair</p>
7.3	<p><b>HISA Perth Report</b></p> <p>Student Board Member summarised Paper 4, noting that the report was formatted to provide a UHI-wide focus with added local context.</p> <p>Student Board Member highlighted the number of class visits by HISA Perth across all subject areas, and noted an uplift in the numbers of Student Voice Reps being recruited, engaged and trained, which look to be connected.</p> <p>Student Board Member noted the work being taken forward with</p>	

	<p>Learner Experience Committee on sports and societies, and summarised a range of pre-Xmas activities to encourage engagement across campus. Processes around the OBIs are currently being reviewed.</p> <p>Chair queried plans on improving election turnout. Student Board Member advised that promotions and the voting system are being reviewed, however fundamentally the Association needs higher levels of engagement to provide a baseline for students getting involved in democratic processes.</p> <p>Paper 4 was <b>NOTED</b> by the Board.</p>	
<b>8.1</b>	<p><b>UHI Perth Management Accounts to 31 July 2024</b></p> <p>Director of Finance presented Paper 5 for information, noting that the accounts had been previously presented to scrutinised by Finance &amp; Resources Committee.</p> <p>Director of Finance highlighted that the position presented includes an accrual for a back-dated Pay Award relating to Teaching Staff of approximately £1.6m.</p> <p>Board <b>NOTED</b> Paper 5.</p>	
<b>8.2</b>	<p><b>UHI Perth FFR</b></p> <p>Director of Finance presented Paper 6 for information, noting that this represented the Submission for 2024/25 and the subsequent two financial years.</p> <p>Director of Finance highlighted the key differences between the FFR presented and the model that was agreed at June Board, noting in particular the difference between a 2% increase in income versus the flat cash model; the removal of £200k in commercial income; and staff cost savings adjusted to take account of timing issues.</p> <p>Chair noted that the FFR was provided to meet SFC's requirements, and queried whether there was any useful purpose for the FFR locally, and whether, if OBC was using FFR as a basis for financial projections, there are likely to be some inaccuracies. Principal noted that FFR was based on assumptions provided by SFC rather than locally which does tend to skew matters, and advised that alternative versions were previously produced but these were not recognised by SFC.</p>	
<b>9.1</b>	<p><b>UHI Perth Budget 2024-25</b></p> <p>Depute Principal (Operations) presented Paper 7, noting that the £1.157m deficit prediction remained close to that presented to Finance &amp; Resources Committee, and that SLT had been meeting</p>	

	<p>with budget holders since F&amp;R which had revealed some additional costs as well as items to be removed from the Budget.</p> <p>Depute Principal (Operations) identified main reasons for Budget not breaking even to be an approx. £800k shortfall in student numbers (equivalent to approx. 200 FTEs) and £200k International commercial income being removed. Budget reflects known position re VS but not those posts still undertaking individual consultation, a figure of approx £500k.</p> <p>Depute Principal (Operations) noted that non-staff costs around IT and Estates had not been heavily reviewed due to potential impact on the student experience, and there is a need to invest in systems to assist in efficiencies.</p> <p>Board Member queried whether cost benefit analysis of systems would identify reduced costs in other areas, citing the example of the recently-shelved HR and Payroll joint system. Principal advised that each of the 4 partners involved in that system would have been implementing new systems on their own and had the single-service solution been implemented there would have been significant economies of scale released.</p> <p>Board Member queried whether the Estates Maintenance costs were related to a Conditions Survey. Depute Principal (Operations) advised that the current Survey had been produced over 2 years ago and was funded by SFC. The Director of Estates was implementing a new system to address the tracking of maintenance and repairs. Depute Principal (Operations) additionally advised that Perth Leadership Group had been engaged in an exercise looking at room usage across the campus to consider the impact on non-utilised rooms on teaching and staff capacities, and IT suites are a focus within this exercise.</p> <p>Board Member queried whether there was any sight on whether the Top-Slice was producing value for money for UHI Perth. Board Member expressed alarm that the College was looking to take out a £1.8m loan over 5 years given the current Risk Appetite in this area, and couldn't reconcile this against a deficit Budget.</p> <p>Chair noted that the previous Board had approved a £3.2m savings plan which projected a £420k surplus over time, but the Budget for the current year was projecting a £1.2m deficit with £800k of this made up of student numbers. There appeared to be a consistent over-estimation of student numbers that the College is unable to deliver, which provides an unrealistic assessment of where the College is as the £3.2m savings were agreed in order to right-size the business and return to a break-even position. Chair further noted that the College can't keep producing deficit budgets.</p> <p>Staff Board Member queried whether Part-Time Student numbers</p>	
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	<p>were still to be added to these figures so the figures reflected the best-case scenario. Principal clarified that the figure was based on absolute numbers to October and estimates thereafter.</p> <p>Student Board Member expressed concern that the College would return to the curriculum to cut costs, as there are already pressures on capacity and this will have an impact on student retention – the focus should be on the Top Slice instead. Chair advised that the College does not currently have levers to pull regarding the Top-Slice.</p> <p>Board Member queried whether cuts had been made in the right places to help invest in areas such as IT and the student experience. Principal advised that there were no surplus staff in any area of the College and the tipping point was being approached in terms of functionality.</p> <p>Board Member asked whether the business model being used was the current one for the size of the business. Depute Principal (Operations) noted that overall costs were too high, but the College is at the bare bones in terms of non-staff costs, and PLG have looked at mitigations.</p> <p>Board Member noted that the £3.2m savings contained various assumptions and queried whether Appendix 1 as provided is effectively the new plan for this. Chair noted that the £3.2m savings is based on higher HE numbers than the Budget shows, and over 3 years. Chair also noted that the College makes money from FE and loses in HE, but there is no breakdown of these figures – if the College are not making money from HE why are we doing it? Principal advised that there are a variety of factors involved in answering that. HE numbers are clearly a concern and continuation of trends will impact on future planning and will shrink UHI Perth, and UHI, as an organisation.</p> <p>Chair noted that there was no material change from the position presented at F&amp;R and asked whether there was any likelihood to turn the position to break-even over the next 3 years as if not this needs to be communicated to UHI and SFC as additional funding will be required. Principal advised that there are some figures around contracts and timesheets that there will be some flexibility around, and while the Budget reflects the current position this will be regularly reviewed going forward.</p> <p>Board Member queried why staff numbers were not being reduced in line with the drop-off in student numbers. Principal noted that there is a requirement for run-out in courses that may be removed. Board Member noted that projections for these instances would be useful.</p> <p>Student Board Member queried whether there was any scope for</p>	
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	<p>alternative options, such as private courses. Depute Principal agreed that this is an option, however cautioned that employers are very reluctant to pay for these.</p> <p>Board Member expressed concern at how quickly the position has moved for the worse since the June Board passed the savings plan, and would not be comfortable passing a Budget that cannot provide assurances that the scenario cannot be resolved over the next 3 years.</p> <p>Chair queried the impact on cashflow, based on the 3-year Budget. Director of Finance noted that a cashflow had not been projected beyond 2024/25. Chair noted that there needs to be honest conversations with UHI and SFC regarding the College's budget positions and cashflow requirements going forward.</p> <p>Board Member suggested it would be useful to receive detail on the numbers of staff removed from the payroll and the numbers still within this process. Principal noted that the Board had approved this process to be completed by end of Academic Year 2024/25 and the College was still on track to achieve this. Board Member responded that a different picture is being proposed that the Board needs cognisance of.</p> <p>Chair queried how long a 3-year cashflow forecast would take to produce as this will be required for insight around additional funding requirements. Director of Finance advised that this could be provided early next week, however the College remained in the dark around terms and conditions for any additional funding.</p> <p>Board Member advised that it feels like there are limited options for the College other than seeking additional funds from the Government. Board Member agreed, but expressed concern that the focus remains simply on removing deficits rather than seeking more fundamental solutions as the HE market has changed massively over the last 3 years.</p> <p>Chair summarised the discussion and noted the following actions:</p> <ul style="list-style-type: none"> <li>• Board to receive 3-year Cashflow as soon as possible to enable articulation of requirements for funding</li> <li>• Board to discuss levers available and bigger picture around wider problems that may or may not be resolved via OBC</li> <li>• Chair to communicate key funding issues to UHI and SFC</li> </ul> <p>Board was unable to approve UHI Perth Budget 2024/25 pending additional work actioned. Budget to be approved online, subject to pending additional work noted above.</p>	<p>Director of Finance</p> <p>Board</p> <p>Chair</p> <p>Board</p>
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9.2	<p><b>Pension Strain</b></p> <p>Principal presented Paper 8 for approval, noting that the approximate strain cost has been assessed as £620k rather than the £470k figure noted in the Paper.</p> <p>Chair observed that there seemed little option for the Board other than approving the Paper, however this would need to be in principle until the terms of the loan agreement were seen.</p> <p>Board Member expressed surprise that Pension Strain costs were not highlighted in the original proposal paper given the additional risk around cashflow this creates, and that Board should have received clarity around whether these costs were included in cost/benefit calculations.</p> <p>Principal noted that that individual Pension Strain costs cannot be predicted in the same way as calculations linked to VS, and clarified that Strain costs were included in the overall calculations around cost/benefit.</p> <p>Board <b>APPROVED</b> Paper 8 in principle pending loan agreement terms.</p> <p>Board to be provided with actual vs assumed Pension Strain costs, with budgeted costs presented as a percentage.</p>	Director of Finance
9.3	<p><b>Annual Health &amp; Safety Report</b></p> <p>Principal presented Paper 9, noting that the Annual H&amp;S Report requires formal approval.</p> <p>Board Member queried the value for money around the confidential counselling service for employees. Principal clarified that a new contract for that service was being negotiated.</p> <p>Board Member queried the current position of the Board H&amp;S Champion. Clerk noted that this position had been vacant since a Board Member resignation and no volunteer had been recruited during the Board Review over the summer. Clerk to circulate information.</p> <p>Board <b>APPROVED</b> Paper 9.</p>	Clerk
9.4	<p><b>UHI Perth Board of Management External Effectiveness Review</b></p> <p>Clerk presented Paper 10, noting the addition of a Board Statement to the original draft as previously agreed</p> <p>Clerk added that the next phase after approval of the report was to pull together a Development Plan to implement the</p>	Clerk

	<p>recommendations.</p> <p>Board <b>APPROVED</b> Paper 10.</p>	
9.5	<p><b>Review of Scheme of Delegation and Committee Terms of Reference</b></p> <p>Clerk presented Paper 11, noting that Board had a mandatory requirement to review the Scheme of Delegation on a regular basis.</p> <p>Clerk advised that the majority of changes relating to the various Terms of Reference were nomenclature-based, and highlighted the other amendments provided.</p> <p>Board Member noted 2 minor amendments that would be corrected by Clerk. Subject to these amendments being made, Board <b>APPROVED</b> Paper 11.</p>	
10.1	<p><b>Balanced Scorecard</b></p> <p>Depute Principal (Operations) presented Paper 12 for information, noting that some targets for this year had still to be finalised.</p> <p>Board expressed a desire for time to be found to analyse the Scorecard in more in more detail, either by elevating the paper higher up the agenda, or through dedicated time being allocated during a Board Development Evening. Clerk to action.</p> <p>Board <b>NOTED</b> Paper 12.</p>	Clerk
11.	<p><b>Standing Committee Summaries</b></p> <p>Board received summaries from the Chairs of each Standing Committee and <b>NOTED</b> the following minutes:</p> <ul style="list-style-type: none"> <li>• Chairs Committee – 27 August 2024</li> <li>• AST Board – 04 September 2024</li> <li>• Learner Experience Committee – 11 September 2024</li> <li>• Strategic Development Committee – 17 September 2024</li> <li>• Finance &amp; Resources Committee – 26 September 2024</li> <li>• Audit Committee – 09 October 2024</li> </ul>	
12.	<p><b>Date &amp; Time of Next Meeting</b></p> <ul style="list-style-type: none"> <li>• Wednesday 18 December 2024 @ 5:00pm</li> </ul>	

13.	<p><b>Review of Meeting</b></p> <p>Board confirmed that the meeting had been conducted in line with the Terms of Reference.</p>	
14.	<p><b>ADDENDUM A</b></p> <p><b>Approval of Audited Accounts 2022/23 and UHI Perth Group Financial Statements 2022/23 on Thursday 26<sup>th</sup> September 2024</b></p> <p><u>Present:</u>  Graham Watson, Chair, Board of Management  Mary Fraser, Board Member  Jenni Harrison, Board Member  Chris Lusk, Board Member  Elaine Piggot, Board Member  Ian Robotham, Board Member  Derek Waugh, Board Member  Margaret Cook, Principal &amp; Chief Executive  Patrick O'Donnell, Staff Board Member  Xander McDade, Student Board Member  Andi Garrity, Student Board Member  Winston Flynn, Trade Union Board Member</p> <p><u>In attendance:</u>  Lorenz Cairns, Depute Principal (Academic)  Gavin Stevenson, Director of Finance  Ian McCartney, Clerk to the Board of Management</p> <p><u>Apologies:</u>  Jenny Hamilton, Board Member  Debbie McIlwraith-Cameron, Board Member  Alistair Wylie, Board Member  Ronnie Dewar, Trade Union Board Member  Lynn Murray, Depute Principal (Operations)</p> <p>Chair noted that, per the College's Financial Memorandum, the Annual Accounts and Financial Statements had been endorsed by a Joint Meeting of Finance &amp; Resources and Audit Committees at a meeting on 26<sup>th</sup> September, and were presented for approval by the Board of Management.</p> <p>The Financial Statements were noted as providing an assessment of the College's financial position for the year ending 31 July 2023 and have been completed in compliance with the Account's Direction for Colleges and with the Code of Good College Governance.</p> <p>Board noted the small number of changes advised to the Joint Committee and <b>APPROVED</b> the 2022/23 Annual Accounts &amp; Financial Statements subject to these changes, and authorised the signing of the Letter of Representation on the same basis.</p>	



**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 1998?      **Yes** ☐      **No** ☒