

MINUTES of the HYBRID MEETING of the FINANCE AND GENERAL PURPOSES COMMITTEE held via Microsoft Teams and Room 205 UHI Inverness Campus on Thursday 16 June 2022

PRESENT: Kelly Mackenzie, Chris O'Neil, Donald MacKenzie, Rojan Kumar Subramani
CHAIR: Donald MacKenzie
APOLOGIES: Stephen Sheridan
ATTENDING: Assistant Principal – Finance & Audit
Assistant Principal – Operations & External Relations
Operations and Commercial Manager
Information Systems Manager
Board Secretary

The Chair welcomed everyone to the meeting.

There were no declarations of interests or statements of connections noted.

To ensure transparency, it was highlighted to the Committee that some of the figures provided within the reports were based on the information that was available to us at the time and that the Committee was to be mindful that some of this information may still be subject to amendment. The Committee thanked the Assistant Principal – Finance and Audit as well as the Shared Finance team for the work that they had undertaken in order to provide the Committee with reports for this meeting.

1. MINUTES

a.) Meeting of the Joint Audit and Finance and General Purposes Committee held on 17 March 2022

The minutes of the meeting of the Joint Audit and Finance and General Purposes Committee held on 17 March 2022 were **ACCEPTED** as a correct record and it was **RECOMMENDED** that they be approved and signed by the Chair.

b.) Meeting of the Finance and General Purposes Committee held on 17 March 2022

The minutes of the meeting of the Finance and General Purposes Committee held on 17 March 2022 were **ACCEPTED** as a correct record and it was **RECOMMENDED** that they be approved and signed by the Chair.

2. OUTSTANDING ACTIONS

Risk Register – The Board Secretary advised the Committee that this item

formed part of the agenda and that all outstanding actions had been completed.

Decision: It was **AGREED** that this item could be removed from the list.

3. **POLICY FOR APPROVAL**

The Committee was advised that the Sustainable Procurement Policy had been updated following a sense check which had been carried out by the APUC Supply Chain Manager.

Decision: The Sustainable Procurement Policy was **RECOMMENDED** for **APPROVAL** to the Board of Management.

4. **FEES 2022-23**

The Assistant Principal – Finance and Audit spoke to the proposed fees for 2022-23 which had been considered by Committee members offline and explained that these were to be ratified by the Committee before they could be presented to the Board of Management Meeting for final approval.

Decision: The Fees 2022-23 were **RECOMMENDED** for **APPROVAL** to the Board of Management.

5. **REVENUE BUDGET 2022-23**

The Assistant Principal – Finance and Audit apologised to the Committee for the lateness of this report reiterating that it had been delayed as we had been awaiting confirmation of figures from both SFC and our RSB. The Committee noted that some of the figures within this budget could still be subject to amendment.

The Assistant Principal – Finance and Audit took the Committee through the draft budget highlighting, discussing and providing an explanation in respect of:

- The proposed credit targets for FE
- The expected impact of the national job evaluation exercise.
- The expected estates funding to be received from SFC in respect of FE.
- RAM and the analysis of movement.
- Other UHI Funding.
- Research Funding – including the Research Excellent Grant and University Innovation Funding.

Russell Edwards joined the meeting.

- FE and HE fees budgets
- Modern Apprenticeships
- Grant, FDWF and Unitary Charge Funding
- LIS income, other income and shared income

- Pay budgets and the increase in professional posts seen throughout the year.
- Estates – particularly the increasing energy costs and the rates incurred for the Longman Site
- Overhead Budgets

The Committee discussed the expected implications of flat funding.

The Committee had a lengthy discussion on the impact and implications of early withdrawals and noted the important work which Support Teams are undertaking in respect of conversion rates.

The Committee also discussed risk mitigation.

The Committee discussed the challenges which we and the sector are facing and noted that the proposed budget took this into consideration and was a conservative budget.

Action: The Assistant Principal – Finance and Audit acknowledged that the Committee had not had time to review and digest the proposed budget and suggested that this is carried out offline, and any queries raised with him directly via email.

6. CAPITAL BUDGET 2022-23

The Assistant Principal – Finance and Audit spoke to the proposed Capital Budget for 2022-23. The Committee noted that figures for BIS funding are still awaited from the SFC via our RSB.

Decision: The Capital Budget 2022-23 was **RECOMMENDED** for **APPROVAL** to the Board of Management.

7. CAPITAL MONITORING

The Assistant Principal – Finance and Audit spoke to his report and reiterated to the Committee that all spends must be committed by 31 March and all invoices paid by 31 July.

8. REVENUE BUDGET MONITORING

The Assistant Principal – Finance and Audit spoke to his report which provided the Committee with the Revenue Budget monitoring for the ten months ended 31 May 2022 and highlighted that this should also be considered in light of the 2021-22 Revenue Budget.

The Committee discussed at length the likelihood and impact from any clawback and the expected impact from flat funding.

The Assistant Principal – Finance and Audit highlighted to the Committee the potential risk which has been identified in respect of the monies being kept in the ALF. The Committee noted that a risk assessment in respect of this issue may be required.

9. RISK REGISTER

The Assistant Principal – Finance and Audit provided the Committee with an explanation of the updates which had been made to the Risk Register. The Committee noted that risk 17 had been increased to the maximum because of the potential impact of flat funding both in respect of ourselves and within the partnership.

The Committee discussed the number of risks which had increased to red and how these had been escalated and the mitigating actions which were being undertaken.

A lengthy confidential discussion on UHI finances took place with the Committee discussing the potential risks around this issue. The Committee were provided feedback from the UHI Partnership Conference which had taken place on 14 and 15 June 2022.

10. OPERATIONS AND EXTERNAL RELATIONS REPORT

The Assistant Principal - Operations and External Relations spoke to her report highlighting that our Modern Apprenticeship income remains strong, that our FWDF income at the end of May 2022 significantly exceeds the full year budget income and that our commercial short courses are showing signs of recovery. The Committee was advised that our curriculum planning review has been completed and that course costings have been carried out as part of this process. The Committee noted that this process would continue to be developed in order to ensure that we run economically viable courses.

The Committee thanked the Assistant Principal – Operations and External Relations for this update.

11. ESTATE CAMPUS REPORT

The Assistant Principal – Operations and External Relations spoke to this report advising that we are continuing to work with GTFM to improve timescales for works which are required.

The Committee noted that we continue to attend the Steering Group which has focus over the Estates Strategy and Action Plan. The Committee noted the details of the attached GTFM report which provides a project summary, health and safety summary, construction issues and performance up to March 2022

The Committee discussed the disposal of the Longman Site noting that the site has recently been re-evaluated and that an Estates Legacy Project Board Meeting would take place over the Summer.

The Assistant Principal – Finance and Audit left the meeting.

12. STUDENT RECRUITMENT

The Information Systems Manager joined the meeting

The Information Systems Manager spoke to her report providing the Committee with an update on the status of current enrolments for 2021/22 and recruitment for 2022/23.

The Committee was advised that in respect of FE we are at 92.7% of our target and noted that this is expected to increase to 93% by the end of the Academic Year. In respect of HE we are predicting that we will not meet our target with it being estimated that we will be at 88%. The Committee was advised that we are in discussions with UHI to have our HE targets for the upcoming Academic Year reduced and noted that we have less influence on the curriculum in respect of HE.

The Committee noted that we have seen an increase in withdrawals this year and the Committee again discussed the reasons for this noting the effects of Covid-19, the local employment market and the health and wellbeing of our students.

The Committee discussed our current recruitment activity noting that our recent marketing and events have produced a greater number of applications and that we have made a greater number of offers to students. It was however reiterated to the Committee the importance of conversion of these offers.

The Committee thanked the Information Systems Manager for her report.

The Information Systems Manager left the meeting.

13. COMMITTEE AND CHAIR EVALUATIONS

The Board Secretary provided an explanation in respect of the yearly Committee and Chair Evaluations. The Committee noted that a report from all committees will be taken to the Board in October and any actions arising will be incorporated into our existing Board Action Plan.

The Committee collectively carried out the Committee Evaluation.

The F&GP Committee Chair left the meeting.

The Committee collectively carried out the Chair Evaluation.

Action: The Committee highlighted that it may be beneficial for these evaluations to be completed via an online poll to allow for a more independent perspective. The Board Secretary welcomed this idea and will research how to implement this ahead of next year's evaluations.

14. DATE OF NEXT MEETING

Thursday 16 June 2022 at 09.00 a.m.

A handwritten signature in black ink, appearing to be 'A. M. K. P.', written in a cursive style.

Signed by the Chair

Date: 18 November 2022