

## MINUTES of the MEETING of the FINANCE AND GENERAL PURPOSES COMMITTEE held via Microsoft Teams on Friday 18 November 2022

**PRESENT:** Kelly Mackenzie, Chris O'Neil, Donald MacKenzie, Rojan Kumar Subramani, Russell Edwards

**CHAIR:** Donald MacKenzie

**APOLOGIES:** Stephen Sheridan & Vice Principal – Operations and External Relations

**ATTENDING:** Vice Principal – Finance & Audit  
Operations and Commercial Manager  
Information Systems Manager  
Information Development Manager  
Governance Officer

The Chair welcomed everyone and explained that the meeting originally scheduled for 20 October 2022 had been postponed as it was not going to be quorate.

There was no declaration of interests, statements of connection or transparency statements noted.

### 1. MINUTES

#### a.) Meeting of the Finance and General Purposes Committee held on 16 June 2022

The Committee discussed the minutes of the Finance and General Purposes Committee held on 16 June 2022. It was highlighted that there had been a discussion at this meeting around the potential risk surrounding monies which are currently kept in the ALF. The Committee noted that whilst it has not been known to happen there is a risk that the funds could be paid to another educational institution within the area.

The Vice Principal – Finance and Audit advised that due to updates to our Financial Forecast Return he would look at the possibility of applying to withdraw circa £400,000 from the ALF to fund projects, highlighting that this would be a sensible way to use the monies.

**Action:** The Board of Management are to be presented with a report on the ALF which specifies the monies currently held within it. A Board decision on whether these should be used for current projects is to be sought. The Board to discuss and agree our long-term position in respect of the ALF.

**Decision:** The minutes of the meeting of the Finance and General Purposes Committee held on 16 June 2022 were **ACCEPTED** as a correct record and it was **RECOMMENDED** that they be approved and signed by the Chair.

## **b.) Confidential Note of Ad Hoc Finance Update Meeting held on 20 October 2022**

The Confidential Note of the Ad Hoc Finance Update held on 20 October 2022 was **ACCEPTED** as a correct record and was **APPROVED**.

## **2. CAPITAL MONITORING**

### **Capital Budget Monitoring 21-22**

The Vice Principal – Finance and Audit advised the Committee that work had been undertaken in respect of room G9 modification to ensure it could be more efficiently utilised in terms of room capacity and flexibility.

### **Planned Capital Spend 22-23**

The Vice Principal – Finance and Audit advised the Committee that we had based our planned Capital Spend through discussions with the Estates and Campus Services Manager. The Committee noted that the report highlighted the various projects which have been identified. The Vice Principal – Finance and Audit provided the Committee with a verbal update in respect of further modifications which were required to be made to room G9, kitchens and the server room.

The Committee discussed lighting improvements which were required throughout the building and reiterated the possibility of funding some projects through the ALF monies.

The Committee discussed the Sports Pitch Development and noted that decisions on this will be made directly by the Highland Council.

## **3. REVENUE BUDGET MONITORING**

### **Revenue Budget Monitoring at 31 July 2022**

The Vice Principal – Finance and Audit advised the Committee that he had remodelled the top end monitoring to provide additional clarity in respect of the bank position and highlighted that this may still be affected by any potential claw backs. The Committee discussed the likelihood of claw back and the sector response.

The Committee noted that the liquidity from revenue activity for the year had improved.

The Committee was advised that the Finance Team are continuing to look at debt provision and a lengthy discussion around debt collection ensued.

**Action:** The Vice Principal – Finance and Audit to provide the Committee with an explanation of our current debt provision protocol and confirm at what stage

a debt would be referred to debt collectors.

## **Revenue Budget Monitoring at 30 September 2022**

The Vice Principal – Finance and Audit spoke to his report and highlighted that his projections are based on both 3% and 5% pay inflations.

The Vice Principal – Finance and Audit highlighted the following to the Committee:

- That we are expected to under deliver in terms of our HE numbers and the impacts of this.
- That we are still awaiting an insurance payment in respect of the cyber incident.

The Committee discussed the financial position within the sector and discussed the existential threats which both the partnership and the sector are facing.

*Russell Edwards joined the meeting.*

The Principal advised the Committee that as part of the UHI 24 revitalisation programme, our current HE offering is being reviewed and work is being undertaken to develop a more appropriate curriculum. The Committee noted that any refreshed curriculum cannot be offered until August 2024 and that any substantive changes are not expected to be rolled out within this Academic Year.

The Committee was advised of the current HE targets both in respect of UHI Inverness and the partnership.

The Committee highlighted the importance of working in partnership with other organisations within the Sector and noted that confidential conversations in respect of this are taking place.

The Committee discussed the importance of the UHI 24 revitalisation programme, the cost savings expected as part of this and how risk management is being considered.

## **4. STUDENT RECRUITMENT**

*The Information Systems Manager joined the meeting.*

The Information Systems Manager spoke to her report advising that it provided an update on student numbers at the end of Academic Year 21/22 and provided an insight into where we are for 22/23. The Committee noted that a verbal update would be provided for the period between the report being written and now.

The Committee was advised that in respect of Academic Year 21/22:

- The FES audit for FE credits had been completed with no issues being raised. The FE credits for this period were 28,697 which is 93.5% of the

target.

- The PPF target for HE undergraduate students was not achieved with delivery being 1,367 which is 88% of the target.
- Withdrawals and early withdrawals for both HE and FE continued to increase this year. The Committee noted that Covid restrictions were still in place at the start of the Academic Year and had an impact on this.

In respect of enrolment for the current Academic Year the Committee was advised:

- That we had a successful start to our HE programme and were hopeful that this would continue for students coming onboard in January 2023.
- Our FE credits are now at 26,153 which is circa 87% of our target.
- That we are working on an early statistical return which will provide an update on our anticipated numbers for this year. The Committee noted that it is anticipated that we will reach 80-85% of our target.

The Committee was advised that in respect of student recruitment our early withdrawals are significantly lower than the previous year; however, it was noted that it can take some time for withdrawals to come through our systems and the Committee noted that this may still be subject to change.

The Committee was provided with a table which showed the current student enrolment information for the year to date.

The Committee discussed whether our projections are realistic; noting that our FE credits are healthy and that we still have a considerable number of apprentices to enrol and that we have programmes which will begin in January 2023. The Committee was advised that significant work has been carried out across the College and throughout teams to ensure that students continue with their studies.

A discussion on how we reinforce the benefits of FE and HE to business as part of the development of their employees took place.

The Committee thanked the Information Systems Manager for this in-depth report.

*The Information Systems Manager left the meeting.*

## **5. RISK REGISTER UPDATE**

The Vice Principal – Finance and Audit advised that the risk level around UHI 2024 should be increased and provided the Committee with an insight in respect of inflation and rising costs of fuel and utilities. The Committee noted that the Vice Principal – Operations and External Relations and the Estates and Campus Services Manager are currently looking at our contingency plan in respect of alternatives to fuel.

The Committee discussed the Halls of Residence and noted that the Short Life Working Group was due to meet on 23 November 2022 and that it is hoped that following this, the risk can be reviewed and downgraded.

The Committee discussed how our register maps onto the UHI Risk Register.

## **6. 6 MONTHLY GDPR REPORT**

*The Information Development Manager joined the meeting.*

The Information Development Manager spoke to her confidential report providing the Committee with an insight on data breaches and the lessons learned from these, subject access requests, personal data registers, procurement activity, staff training and compliance auditing.

The Committee discussed the pattern of data breaches and the impact of human error and noted that a GDPR assessment is now carried out in respect of procurement activity to ensure that all third parties can demonstrate their compliance with GDPR and that there are adequate procedures in place to support this.

The Committee gave their thanks to the Information Development Manager for her report.

*The Information Development Manager left the meeting.*

## **7. HEALTH AND SAFETY UPDATE**

The Principal spoke to this report which had been authored by the Vice Principal – Operations and External Relations. It was highlighted to the Committee that the Vice Principal – Operations and External Relations is overseeing Health and Safety whilst we recruit a new Health and Safety Manager. The Committee was advised that the new Health and Safety Manager role will also have responsibility for sustainability. The Committee was advised that work has been undertaken to align the work of Estates and Health and Safety.

The Committee noted that the number of incidents and near miss incidents reported is low and that there have been no RIDDOR incidents.

The Committee commended the previous Health and Safety Manager for the work which they undertook during Covid.

## **8. COMMITTEE AND CHAIR EVALUATION FEEDBACK**

The Governance Officer spoke to her report highlighting that this was presented as part of the full feedback report to the Board of Management on 25 October 2022. The Committee noted that a recruitment drive for a non-executive member and co-opted members to the Board will commence soon.

## **9. AOCB**

### **Committee Member Evaluation Process**

The Chair requested that those who have yet to complete their evaluation

paperwork should send it to him as soon as possible.

### **Procurement and Finance**

The Principal highlighted a confidential matter which has exposed some issues in respect of the processes we use for procurement. A report on this issue is being finalised and advice was sought from the Committee on where this should be reported to. The Committee noted that there were around six immediate actions that were to be put in place.

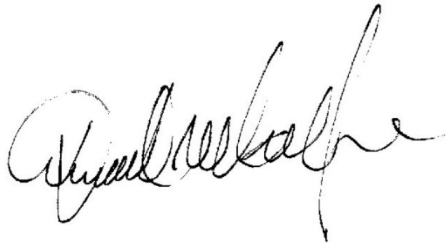
**Decision:** The Committee **AGREED** that oversight of the tendering process should be reviewed by this Committee and that the Principal will report on this matter directly to the Board of Management.

**Action:** The Principal to provide the Vice Principal – Finance and Audit with a copy of the report to allow him to provide additional thoughts and guidance before it is brought to the Board of Management.

### **10. DATE OF NEXT MEETING**

Joint Audit and F&GP Committee – 17 January 2022 at 9.00 a.m.

**Signed by the Chair:**

A handwritten signature in black ink, appearing to be 'Graham Walker', written in a cursive style.

**Date:** 24 January 2023