



MINUTES of the MEETING of the FINANCE AND GENERAL PURPOSES COMMITTEE held via Microsoft Teams on Thursday 06 November 2025.

PRESENT: Donald MacKenzie, Jane Davidson, Pauline Tuthill, Heather Keyes, Victoria Erasmus & Chris O'Neil

APOLOGIES: Rojan Kumar Subramani, Paul Shanks & Information Development Manager

CHAIR: Donald MacKenzie

ATTENDING: Vice Principal – Curriculum, Operations and External Relations
Director of Finance and Estates
Operations and Commercial Manager
Health, Safety and Sustainability Manager
Estates & Campus Services Manager
Management Information Systems Manager
Governance Officer

The Chair welcomed everyone to the meeting.

The Governance Officer confirmed that this meeting was quorate.

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

1. MINUTES FOR APPROVAL

a. Minutes of the Meeting of the Finance and General Purposes Committee held on 12 June 2025

Decision: The Minutes of the Meeting of the Finance and General Purposes Committee held on 12 June 2025 were **AGREED** as a correct record and were **APPROVED**.

b. Confidential Note (CN-01-062025) of the Meeting of the Finance and General Purposes Committee held on 12 June 2025

Decision: The Confidential Note (CN-01-062025) of the Meeting of the Finance and General Purposes Committee held on 12 June 2025 was **AGREED** as a correct record and was **APPROVED**.

2. OUTSTANDING ACTIONS

- **UHI Research funding - ONGOING** - Regional funded research and its redistribution to be looked at across UHI.
- **Final Report 2023/24 Audit by Deloitte Recommendation 1 – ONGOING** – It is recommended that a fixed asset register is created and maintained going forward.
- **Final Report 2023/24 Audit by Deloitte Recommendation 2 – ONGOING** - It is recommended that floor plans are maintained annually and provided to the College's external valuer ahead of each valuation per the rolling valuation cycle.
- **Final Report 2023/24 Audit by Deloitte Recommendation 3 – ONGOING** - It is recommended that the College seek to source a copy of the original NPD service concession agreement and retain this going forwards.
- **Final Report 2023/24 Audit by Deloitte Recommendation 4 – ONGOING** - It is recommended that the College looks to source original grant income documentation from the relevant party and moving forward, we would suggest that they retain any relevant documentation.

3. BAD DEBT WRITE OFF (CONFIDENTIAL)

The Director of Finance and Estates spoke to his CONFIDENTIAL report (CN-01-112025).

Decision: The Committee **APPROVED** the Bad Debt Write Off report.

4. FINANCE UPDATES

a) Financial Forecast Return 2024/25 – 2027/28

The Director of Finance and Estates spoke to his report which provided the Committee with the Financial Forecast Return (FFR) for 2025, which included the budget for 2025/26 and the financial forecasts for 2026/27 and 2027/28. The revenue budget operating deficit for 2025/26 is £792,000, compared with a budget deficit of £750,000 in 2024/25. In the FFR return, the deficit is reported as £1,180,000 because it includes the estimated costs for the support staff job evaluation exercise. Committee members had been advised that incorporated colleges should seek to set a balanced budget each year. However, the current financial landscape with significant unfunded increases in staff and other costs, along with real term reductions in funding, are making it almost impossible for colleges to move to a more financially sustainable position. Given the above forecast budget deficit for 2025/26, further work is being undertaken to draft a revised financial strategy for the college. The key element within the strategy will be a plan to move the college from its current forecast budget deficit to a financially sustainable position of at least break-even from a cashflow point of view. This will be achieved through a variety of measures, all listed within the body of the report.

Following key items had been highlighted:

- Revenue Budget 2025/26
- Financial Forecasts - 2026/27 to 2027/28
- Balance Sheet
- Capital Expenditure
- Risks Downside

Discussion about reducing forecast deficit, cash reserves and operational resilience took place. The Committee expressed concerns about current financial landscape

within the sector and commented that the new revised financial strategy for the college will be of critical importance to enable financial sustainability of the college.

The Chair thanked the Director of Finance and Estates for his detailed report.

Decision: The Committee **APPROVED** the Financial Forecast Return 2024/25 – 2027/28.

5. CAPITAL BUDGET FOR MONITORING

The Director of Finance and Estates spoke to his report which provided the Committee with the capital budget monitoring for the year ended 31 July 2026. The Capital Funding from SFC is made up of HE Capital, FE Backlog, BIS Funding (Research) and FE Lifecycle Maintenance. As a condition of the SFC capital grant funding, the College has to commit the capital expenditure by 31 March 2026 and to pay the subsequent invoices by 31 July 2026.

The Committee welcomed the report and positively commented on plans drawn for the funds to be spent by due dates noted within the report.

The Chair thanked the Director of Finance and Estates for his detailed report.

6. REVENUE BUDGET MONITORING

The Director of Finance and Estates spoke to his report which provided the Committee with an update on the current forecast position at September 2025, in terms of the revenue budget monitoring for the 12 months ended 31 July 2026. Overall, the management accounts position is currently forecasting an operational deficit of £0.917 million, compared to the original budget deficit of £0.791 million, an overspend of £0.126 million. The college has a FE Credit target for 2025/26 of 26,442 credits and an APC HE fte target of 1,581, with the budget target being 1,666 HE fte.

Following key items had been highlighted:

- Income
- Expenditure
- Student Support Funding

- Liquidity
- Risk Assessment

The Committee welcomed the report and positively commented on college's growth to date but also expressed concerns about the growing costs of the topslice and less funding received for services provided to UHI. The Members requested for the future accounts reports to show the topslice too and the Director of Finance and Estates confirmed that this data will be added in the appendix section of the report.

Discussion about staffing and vacancy management, the importance of scrutinising and maximising expenditure growth and expenditure income took place. The VP Curriculum, Operations & External Relations assured the Committee that in terms of the expenditure being maximised the college has every single course costed, benchmarked and its income is being closely monitored. College's planning and monitoring tools have been adopted by a number of colleges in the sector.

Action 1: Analysis report and clear timeline requested in regard to efficiency ratios in terms of curriculum planning.

The Chair requested from the VP Curriculum, Operations & External Relations a one page report that would provide a short narrative around systems and analysis introduced by college to monitor staff expenditure costs.

Action 2: The Chair requested a report that would provide a short narrative around systems and analysis introduced by college to monitor staff expenditure costs.

The Chair thanked the Director of Finance and Estates for his detailed report.

Pauline Tuthill left the meeting.

7. SUMMARY OF FINANCIAL ACCOUNTS FOR 2024/25

The Director of Finance and Estates spoke to his report which provided the Committee with the summary of the draft financial statements for year ended 31 July 2025. A copy of the draft Statement of Comprehensive Income & Expenditure (SOCIE), the Balance Sheet and Adjusted Operating Position statement had been attached to the report.

Following key items had been highlighted:

- Income & Expenditure Account Summary
- Balance Sheet Summary
- Year-end Cash Balances & Net Current Assets
- Student Support Funding Summary

The Director of Finance and Estates expressed his concerns about Deloitte's recent audit delays and a high risk that the financial statements could be presented late to the SFC for the 3rd year running. No pro-active activity from Deloitte's side about the delay and reasons for it had been reported with the communication and engagement process still to be improved.

Discussion about the concerning audit delay patterns, consequences of missing SFC's deadline and mitigating measures took place.

Action 3: The Chair requested an update to the Committee about the financial accounts' progress after today's meeting with Deloitte.

Heather Keyes left the meeting.

The Chair thanked the Director of Finance and Estates for his detailed report.

8. SFC'S SUMMARY – UNIVERSITY OF DUNDEE (CONFIDENTIAL)

The Director of Finance and Estates spoke to his CONFIDENTIAL report (CN-02-112025).

9. STUDENT RECRUITMENT – 25/26

The Management Information Systems Manager joined the meeting.

The Management Information Systems Manager spoke to her report which provided the Committee with a summary of current recruitment for 2025/26. The 2025/26 FE Credits target for UHI Inverness is 26,442, and the college has currently achieved 90.7% of target and is in line with their credit profile. The 2025/26 UHI Academic Partnership target for fundable HE undergraduate students is 1,581, with a budgeted target for all students of 1,666; the college has currently achieved an estimated 92% of the APC target based on students' mode of attendance.

Enrolment for 2025/26 is ongoing for FE and HE students. The majority of full time students have enrolled and enrolment is ongoing for part time students and apprentices.

The Committee welcomed the report and positively commented on enrolment levels achieved to date.

The Chair thanked the Management Information Systems Manager for her detailed report.

The Management Information Systems Manager left the meeting.

10. KPI MATRIX

The Operations and Commercial Manager joined the meeting.

The Operations and Commercial Manager spoke to his report which provided the Committee with the performance measures year to date – period 2, September 2025. The report has been taken as read.

The Chair thanked the Operations and Commercial Manager for his detailed report and positively commented on all targets met.

11. 6 MONTHLY GDPR REPORT

The Governance Officer reported to the Committee that no update has been provided by the Information Development Manager as no matters to report arose since the last report was presented to the Committee.

12. HELATH AND SAFETY UPDATE (CONFIDENTIAL)

The Health, Safety and Sustainability Manager joined the meeting.

The Health, Safety and Sustainability Manager spoke to his CONFIDENTIAL report (CN-03-062025).

The Health, Safety and Sustainability Manager left the meeting.

13. OPERATIONS AND EXTERNAL RELATIONS REPORT

The VP Curriculum, Operations & External Relations spoke to her report which provided the Committee with update about Modern and Graduate Apprenticeship provision, commercial short course income rates and Module Leadership.

The report has been taken as read.

The Committee welcomed the report and positively commented on high enrolments targets for Modern and Graduate Apprenticeship programmes.

The Chair thanked the VP Curriculum, Operations & External Relations for her report.

14 ESTATE CAMPUS REPORT

The Estates and Campus Services Manager joined the meeting.

The Estates and Campus Services Manager spoke to his report which provided the Committee with an update on college's carbon management plan, waste management and capital projects, together with reporting on aspects of soft FM and hard FM performance.

The report has been taken as read.

The Committee welcomed the report and positively commented on college's dedication to sustainability and gas generated energy.

The Chair would welcome for the future Estates Campus Reports to include the financial impact of the gas against electricity.

Action 5: The future Estates Campus Reports to include the financial impact of the gas against electricity.

The Chair thanked the Estates and Campus Services Manager for his detailed report.

The Estates and Campus Services Manager left the meeting.

15. UPDATE FROM AUDIT SCOTLAND (CONFIDENTIAL)

Agenda item 15 had been confirmed as an item for noting only.

16. FE/HE SORP REPORT

Agenda item 15 had been confirmed as an item for noting only.

13. AOCB

13.1 DISTRICT VALUER PROCEDURE

The Governance Officer spoke to her report which provided the Committee with an update on the District Valuer procedure. The matter had been discussed by the Board of Management in October 2025 and the Board concluded that any current and future leases should be monitored by the FGP Committee going forward. The Governance Actions to Strengthen Property Transaction Oversight procedure had been shared by the Chair of the Board and recommended by the Vice Principal Curriculum, Operations and External Relations to be added to the remit of the Estates and Campus Reports.

The Committee welcomed the report and suggested for the procedure to be taken through the internal verification process and to be presented to the Policy and Procedure Review Panel.

Action 6: The procedure to be taken through the internal verification process and to be presented to the Policy and Procedure Review Panel.

14. DATE OF NEXT MEETING – Joint Audit and FGP Committee on 08 December 2025 at 3.00 p.m.

Signed by the Chair:



Date: 05/03/2026