

**UHI | INVERNESS**

Meeting	Finance and General Purposes Committee
Date and time	Thursday 12 September 2023 at 9.00 a.m.
Location	Virtually – via Microsoft Teams

Governance Officer

06 September 2024

**AGENDA****Welcome and Apologies****Declaration of Interests and/or any Statement of Connections or Transparency Statements.****ITEMS FOR DECISION**

- 1. MINUTES**
  - a. Minutes of the Meeting held on 13 June 2024
  - b. Confidential Note of Meeting CN-01-062024 held on 13 June 2024
- 2. OUTSTANDING ACTIONS**
- 3. BAD DEBT WRITE OFF (CONFIDENTIAL)**

Report by Director of Finance and Estates.
- 4. FINANCE UPDATES**

Report by Director of Finance and Estates

  - Financial Forecast Return 2022/23 to 2025/26
- 5. REVIEW OF SUB-STRATEGIES - to follow**
  - a. Estates and Campus Operations Strategy
  - b. Sustainability Strategy
  - c. Marketing Strategy

## ITEMS FOR DISCUSSION

6. **CAPITAL BUDGET MONITORING**  
Report by Director of Finance and Estates
  7. **REVENUE BUDGET MONITORING**  
Report by Director of Finance and Estates
  8. **SUMMARY OF FINANCIAL ACCOUNTS FOR 2022/23**  
Report by Director of Finance and Estates
  9. **STUDENT RECRUITMENT – 24/25**  
Report from Information Systems Manager
  10. **KPI MATRIX**
    - a. Review of KPI's for Academic Year 23-24
    - b. Review of Measures to be used for KPI's for Academic Year 24-25
  11. **ALF MONIES UPDATE**  
Report by Director of Finance and Estates
  12. **6 MONTHLY GDPR REPORT**  
Report by Information Development Manager
  13. **HEALTH AND SAFETY UPDATE (CONFIDENTIAL)**  
Report by Health, Safety and Sustainability Manager
  14. **OPERATIONS AND EXTERNAL RELATIONS REPORT**  
Report by Vice Principal – Curriculum, Operations & External Relations
  15. **ESTATE CAMPUS REPORT**  
Report by Estates and Campus Services Manager
  16. **COMMITTEE EVALUATION FEEDBACK – to follow**  
Report by Governance Officer
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## ITEMS FOR NOTING

17. **AOCB**
18. **DATE OF NEXT MEETING – Joint Audit & F&GP Committee Meeting**  
**Monday 9<sup>th</sup> December 2024**

If any member wishes to add an item of business to the Agenda, please inform the Chair and the Governance Officer as soon as possible. Additional items of business will only be considered for inclusion in the agenda in advance of the start of the meeting.

**Outstanding Actions from Finance and General Purposes Committee**

Item	Action	Responsibility	Time Line	Actioned
<b>07 March 2024</b>				
UHI Research funding	Regional funded research and its redistribution to be looked at across UHI.	Principal	May '24	ONGOING

<b>Subject/Title:</b>	Financial Forecast Return 2022/23 to 2025/26
<b>Author:</b>	Niall McArthur, Director of Finance & Estates
<b>Meeting:</b>	Finance and General Purposes Committee
<b>Meeting Date:</b>	12 September 2024
<b>Date Paper prepared:</b>	5 September 2024
<b>Brief Summary of the paper:</b>	To present to committee the final financial forecast return for 2024 which was sent to SFC on 30 June 2024.
<b>Action requested:</b> [Approval, recommendation, discussion, noting]	Approval

<b>Link to Strategy:</b> Please highlight how the paper links to, or assists with:: <input type="checkbox"/> compliance <input type="checkbox"/> partnership services <input type="checkbox"/> risk management <input type="checkbox"/> strategic plan <input type="checkbox"/> new opportunity/change	
<b>Resource implications:</b>	Yes – monitoring of Financial Resources <b>If yes, please specify:</b>

<b>Risk implications:</b>	Yes <b>If yes, please specify:</b> Financial Operational
<b>Equality and Diversity implications:</b>	N/A
<b>Student Experience Impact:</b>	None
<b>Consultation:</b> [staff, students, UHI & Partners, External] and provide detail	None
<b>Status –</b> [Confidential/Non confidential]	Non-Confidential
<b>Freedom of Information</b> Can this paper be included in “open” business* [Yes/No]	Yes
*If a paper should <b>not</b> be included within “open” business, please highlight below the reason.	
Its disclosure would substantially prejudice a programme of research (S27)	Its disclosure would substantially prejudice the effective conduct of public affairs (S30)
Its disclosure would substantially prejudice the commercial interests of any person or organisation (s33)	Its disclosure would constitute a breach of confident actionable in court (s36)
Its disclosure would constitute a breach of the Data Protection Act (s38)	Other (Please give further details)

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)

### Purpose of report

To present the Financial Forecast Return (FFR) for 2024, which includes the forecast for 2023/24, the budget for 2024/25 and the financial forecasts for 2025/26 and 2026/27.

## Financial Forecast 2023/24

This section provides an update to the committee on the forecast position of the college at the 9 month stage to April 2024, for the year to 31 July 2024.

Overall, the current forecast is an operational deficit of £0.739 million, (assuming pay award of £2,000 for 2022/23 and £1,500 for 2023/24 per staff fte), compared to the March 2024 forecast deficit of £0.812m and the original budget deficit of £418,000. The previous FGPC revenue monitoring report forecast a deficit of £1.044 million.

The College is forecasting that it will meet the FE Credit target for 2023/24, with the actual number of credits at May 2024 currently being 26,555, compared to the target of 26,657. In terms of the HE UGT fte number for 2023/24, the current actual at May 2024 is 1,248 fte, compared to the target of 1,411 fte.

The main issues that are affecting the financial performance for the College in 2023/24 are noted below.

### Income

- Research grant funding (Red risk) - is significantly below target at present and the current forecast is a reduction of £280,000 in income for the year. At present further work is being carried out on both income and expenditure forecasts to ascertain the forecast for the year.
  - Mitigating Actions: a review is currently being undertaken in the research area, which will look at both income and expenditure areas. Scenario plans will be prepared in terms of both best case and worst-case scenarios for both income and expenditure, as well as a review of staffing levels.
- UHI HE grant funding (Red risk) - is forecast to be below target for 2023/24. Work is currently being carried out to ascertain the forecast reduction in the level of HE grant for the year, but it is currently estimated at £362,000, which includes a provision for the adverse impact of the 2023/24 microram of £80,000.
  - Mitigating Actions: to maximise the January 2024 student intake for HE students. A marketing campaign will be undertaken to increase applications for 2024/25, as well as continuing with open evenings and other events to attract additional HE students.
- Tuition fees (Amber risk) – with the HE fte being below the target set for the year as noted above, there will be a knock-on effect on the tuition fees, which is being forecast to be below target by £19,000.
  - Mitigating Actions: to maximise the January 2024 student intake for HE students. A marketing campaign will be undertaken to increase applications for 2024/25, as well as continuing with open evenings and other events to attract additional HE students.

- Refectory & restaurant income (Amber risk) – based on current income levels, forecast to be £50,000 below income target of £653,700, mainly due to event income being below target.
  - Mitigating Actions: to ensure that in terms of the refectory and restaurant, that income and expenditure continues to be monitored and offset any reduction in the events income for the year.
- Commercial income (Green risk) – based on current income levels, forecast to be £120,000 above the income target of £442,500, mainly due to additional FWDF income which was not budgeted for.
- Miscellaneous income (Green risk) – based on current income levels, forecast to be £231,000 above the income target of £515,480, mainly due to additional other income not budgeted for.

### Expenditure

- Staff costs (Red risk) - are forecast to be £416,000 over budget, assuming a cost of living pay increase of 5% (£2,000/fte) for 2022/23 and 3% (£1,500/ fte) for 2023/24. This compares to a budgeted 3% increase for 2022/23, with the additional cost of the 5% increase being approximately £250,000. It also includes additional SPPA employer costs, which increased from 23% to 26% in April 2024, with the approximate cost for the 4 months to July 2024 being £100,000.

Other staff costs and travel costs are forecast to be the same as the budget for the year to 31 July 2024.

- Mitigating Actions: to review all vacancies and ascertain whether they should be replaced or not. Also, review any retirals and ascertain whether they should be replaced or can be replaced through further efficiency measures.
- Premises costs (Red risk) - are forecast to be £45,000 above the budget of £1.964million. This is mainly due to the forecast overspend in energy costs of £130,000, which is partly offset by an underspend in the HIE maintenance costs, non-domestic rates and the revenue costs incurred from the sale of the Longman site.
  - Mitigating Actions: to review all lines of expenditure and for the remainder of the year, reduce expenditure if possible. A review is also being carried out on energy consumption for the main campus building, with the help of GTFM.
- Other Operating costs (Green risk) - are forecast to be £500,000 below the budget of £7.973million. This is due to the forecast underspend in a number of different areas including equipment, materials and VAT, as well as the revenue costs incurred from the sale of the Longman site.

- Mitigating Actions: to continue to review all lines of expenditure and for the remainder of the year, reduce expenditure if possible. Budget holder refresher training will also be undertaken for all budget holders, with the key focuses being on budget monitoring and on procurement. A budget review exercise has also started, with the intention of this becoming a regular event and will be on the basis of being both supportive for budget holders, especially new budget holders, but also challenge their budgets for the remainder of the year.

Given the current forecast deficit for 2023/24 and the final grants from Scottish Government on the FE and HE budget for 2024/25 showing an overall reduction in college funding, the college has started to construct a plan to address the underlying deficit in future years, which will include a review and the revision of the college financial strategy. This will also include a 3-5 year financial forecast to bring the college from the current forecast operational deficit position in 2023/24 to a break-even position within 3 years.

## **Revenue Budget 2024/25**

### Background

The annual revenue budget is prepared each year, and is presented to the Finance & General Purposes committee and then, if recommended for approval, is presented to the Board for approval by the 31 July of each year and prior to the commencement of the new financial year.

The revenue budget for 2024/25 has been set in the context of an extremely challenging financial environment, with a number of factors continuing to severely impact the financial sustainability of the college sector:

- National Bargaining pay increases – the 3 year pay offer for both academic and professional staff (professional staff have now accepted their pay offer) is significantly above college budget levels and historic budget levels and there is no funding provided by SFC/ SG for these additional costs, unlike other areas of the public sector.
- The flat funding forecast for SFC funding over the coming 5 years to 2028, which severely limits the capacity of the college sector in future years.
- Inflationary increases in non-staff costs across all areas, but especially in materials, energy and general contracts.

However, there are also opportunities for the college over the coming year and beyond and these are set out on pages 6 and 7 of the report.

### Executive Summary

The budget preparation exercise commenced in March 2024. This has involved staff budgets being prepared for all cost centres and sent out to budget holders for review, with further meetings taking place with the curriculum leaders to finalise staffing budgets and aligning them to the curriculum plan for 2024/25. It should also be noted that some grant figures from UHI are draft at the time of writing the report.



All budget holders were involved in the budget process, with meetings held to discuss budget figures and inputting into the budget process in relation to the cost centres they are responsible for.

The Executive Management Team were also given the opportunity to review the budget and input into key areas.

The budget operating deficit for 2024/25 is £753,499, compared with a budget deficit of £418,274 in 2023/24. The main reasons for the increase in deficit are noted below:

- An increase in staff costs of £1.328 million compared to the 2023/24 budget, due to the forecast NB increases for cost of living rises for both academic and professional staff.
- Forecast reduction in commercial income of £295,000 due to loss of the flexible workforce development funding (FWDF) from SFC.
- The increase in staff costs above is offset by:
  - The forecast increase in Scottish Funding Council (SFC) FE grants in relation to pension contribution increases- £250,000
  - The forecast increase in HE teaching grant of £313,000, due to forecast additional HE fte, mainly from graduate apprenticeships.
  - The forecast increase in tuition fees of £161,000 compared to the 2023/24 budget, due to higher HE fte forecast numbers.
  - The forecast increase in MA income of £250,000 in relation to additional MA numbers awarded by SDS.

Committee members should be aware that incorporated colleges should seek to set a balanced budget each year. However, the public sector finances for the next five years show flat funding for the Scottish Funding Council, and this will inevitably have a severe impact on the colleges financial sustainability. The SFC Financial Forecast return for 2024 provides the following guidance:

- *Institutions should aim to achieve a balanced budget each year. Where a deficit is forecast in any year, institutions must work towards bringing income and expenditure back into balance over the forecast period.*

Given the above forecast budget deficit for 2024/25, plans are being put in place to draft a revised financial strategy for the college and the completion of the SFC Financial Forecast return. 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 by the end of 2026/27. This will be achieved through a variety of measures, which are set out below:

- The college is currently forecasting to be above its FE target, both in 2023/24 and for 2024/25, in terms of the curriculum plan. Ongoing discussions with SFC have been taking place regarding additional FE credit funding being reallocated from the FE sector to the college. The amount of reallocation is still unclear and will not happen until 2025/26. However, a reallocation of 1,000 credits, which would be 3.5% of our overall credit total, would generate an additional £370,000 in FE teaching grant, with only a small increase in costs.
- For HE activity, although the traditional HE fte numbers are slowly increasing from the low levels seen during covid, there has been and forecast to be increases in graduate apprenticeship (GA) numbers. For 2024/25, application numbers are positive and so in addition to the current forecast numbers, the college could achieve an additional 50 HE ftes through additional GA's applications. This HE growth can currently be funded

as there is spare funding capacity with the UHI partnership at the moment, with HE numbers currently being below the SFC funded level.

- Within staff costs, as noted above, there has been considerable work undertaken to review and adjust curriculum staffing to ensure it is in line with the curriculum plan for 2024/25. The college will also continue to review fixed term contracts, as well as any current vacancies and retirements, which could lead to additional savings in staff costs during the coming year.
- There continues to be work across all areas of the non-staff costs budgets to make savings, with work being carried out by procurement to increase the use of APUC frameworks.
- Within the UHI 2024 project, there is ongoing work related to partnership wide shared services across all the professional services and this has the potential to reduce professional services staff costs in the coming years.
- There continues to be discussions around the UHI EO top slice within the UHI 2024 project and the view that it continues to be too high and is diverting FE and HE teaching grant funding which would directly benefit the student experience. Currently, the FE top slice is £0.6 million and the HE top slice is £3.2 million for UHI Inverness.
- In terms of the research activity, there is a reduction in research grants of £92,000 compared to 2023/24, however expenditure has also decreased, and overall, research are currently budgeting for a small surplus. This will be closely monitored during the year to ensure any variances are dealt with as early possible.
- It is still unknown whether SFC will clawback FE and HE grant funding for 2022/23 or 2023/24. If there is no/reduced clawback by SFC, this will potentially provide an additional increase to the overall UHI partnership income in 2024/25.

The benefit of moving from an operational deficit position to a break-even position over a 3 year period is that it allows for the forecast growth in a number of different areas to continue and does not adversely impact on the capacity of the organisation to enable it to do so. As mentioned above, there is potential growth in a number of areas, including FE credits, HE fte's, GA's, and MA's, as well as other areas including research, commercial & project income and potentially other areas as well.

### **Financial Forecasts - 2025/26 to 2026/27**

The forecast operational deficit for 2025/26 is £0.220 million, a decrease of £0.531 million compared to the budget deficit for 2024/25, with the operational deficit decreasing further to £0.013 million in 2026/27. The main reasons for the decrease in the operational deficit and assumptions in these 2 years, 2025/26 and 2026/27 are noted below:

- As noted above, there is continued growth in the college FE credits above its target threshold and in discussion with UHI EO, there is now potential for additional FE credit funding being reallocated for academic year 2025/26. No estimate has been agreed as yet but a 5% increase in credits, amounting to 1,500 credits, is included in the forecast.
- In terms of HE fte, further growth is forecast over the forecast period, mainly relating to increases in GA numbers, amounting to 50 HE fte in 2025/26 and 40 fte in 2026/27.

- No increase has been included for MA income, although the expectation is that there is potential for increases in MA numbers, following the award of additional numbers by SDS for 2024/25.
- For the other income streams, no increases in either volume or price have been included, although across research, commercial and miscellaneous income we are anticipating modest increases in both years.
- Staff costs are forecast to increase by 3% in both years, with staff costs savings through non replacement of vacancies and staff retirements also being built into the forecasts.
- Inflationary increases in non-staff costs across all areas have been offset by savings through increased use of APUC frameworks across a number of areas.

## **Balance Sheet**

Total net assets are forecast to be £14.1 million by 2026/27, with net current assets of £0.61 million and a cash balance of £3.8 million forecast by the end of July 2027. The asset held for sale, in terms of the Longman site, has been written down from £2.3 million to £1.240 million and the impairment accounted for within depreciation. The net proceeds of the sale, amounting to £0.8 million, is proposed to be used for a new building on the college site and a business case is currently being reviewed by SFC for approval.

## **Capital Expenditure**

There are two current capital works projects being carried out at the college, one is to be carried out over the summer in 2024, with the other project still at the planning stage.

The first project is a refurbishment and repurposing of a number of spaces within the main campus building and are noted below. These are being funded through a grant from the college ALF, which has now been closed.

- Total funding of £0.94 million - £0.68 million construction costs and £0.26 million equipment costs.
- Includes the conversion of a staff workroom to a new technology centre, conversion of another staff room to a creative workroom and conversion of two pc suites to a “dirty” workshop.

The second project is for the construction of a sustainability centre, funded from the sale proceeds of the Longman site.

- Still at the planning stage, as funding still needs to be approved.

## **Risks Upside**

- With interest rates still at historically high levels, investment income is higher than budgeted, which will continue into the second half of 2024, before decreasing due to the forecast reduction in interest rates later this year.

**Risks Downside**

- The HE target may be challenging, although current forecast admission data at present show an increased rate compared to previous years.
- If the costs of Job Evaluation are greater than funding received from SFC, then the College will have a further pressure.
- The recent public sector final budget for the college sector for 2024/25 and flat funding for the Scottish Funding Council for the next five years.

**Appendix 1 – Budget 2024/25 details**

1. Draft figures for the main FE teaching grant funding have been received. They are as follows:

2024/25	£9,776,277	Credit Target	26,442	Average £370
2023/24	£9,758,006	Credit Target	26,442	Average £370

The FE Credit target is the same as 2023/24 at 26,442 credits. The total SFC FE grant is £10.148million, which includes the additional SFC grant for pension contributions of £250,000.

The SFC Job Evaluation funding is only included in outturns towards the end of the year and there is a corresponding amount included within staff costs outturns.

Other Funding – in previous years, this has covered various grants including mental health, counselling, digital learning and sanitary products. However, there is no funding in the budget for 2024/25 for these at present.

The annual estates maintenance funding from the SFC for FE has decreased compared to 2023/24, from £106,857 to £104,279.

2. The SFC HE RAM grant for 2024/25 is noted below:

2024/25	APC 1,394 HE FTE	Budgeted £5,291,000
2023/24	APC 1,418 HE FTE	Budgeted £5,216,000

The College had a target of 1,321 FTE (Full Time Equivalent Student Numbers) in 2023/24 and is projected to deliver 1,270 in 2023/24. The APC target for 2024/25 has been set at 1,319 FTE, with an additional 75 graduate apprenticeship places, making an overall total of 1,394 FTE.

MicroRam data is based on 2023/24 budget and £0 has been budgeted.

PGDE funding and other UHI funding is still to be finalised at the time of writing the report. Research Funding covers both Research Excellence Grant (REG) and University Innovation Funding (UIF). The final funding figure for REG for 2024/25 is £130,030, a decrease of £3,405 from the 2023/24 figure of £133,435. At present, we do not have the UIF allocation for the college.



3. Tuition fees - FE fees budget is based on income in the ledger at present.  
The HE fees budget is based on delivering 1,321 UGT FTE, plus 75 graduate apprentices. Overseas fees are based on the outturn for 2023/24. Overall, the fees budget is £3,038,450, £161,323 or 5.6% above the 2023/24 budget figure.
4. Other Grant Funding – these are mainly research related and based on project income and PhDs in post. Overall, there is a decrease of £92,164 to £1,332,090, due to a reduction in forecast research grants and commercial income. Detailed work has been carried out in reviewing other grants and estimates, based on projects in the system.
5. Refectory and training restaurant Income – the budgeted income for the refectories assumes a reduction in events income, with the total income budget being £591,000, compared to £653,700 in 2023/24.
6. SDS Income – overall, this is forecast to be £368,000 higher than the 2023/24 budget, due to the additional 104 MA places from SDS.
7. Commercial Income – the decrease in commercial income is due to there being no Flexible Workforce Development Funding (FWDR) allocated by SFC for 2024/25. The budget figure for 2024/25 is £147,500, compared to £442,500 in 2023/24, a decrease of £295,000.
8. Miscellaneous Income – overall, an increase in the forecast miscellaneous income for 2024/25, increased from £515,480 to £592,740, an increase of £77,260.

9. Unitary Charge funding is based on amounts being paid in respect of this.
10. Staff costs - detailed work has been carried out on staff cost budgets, with work being carried out to align staff costs with the curriculum planning document for 2024/25. The staff costs budget is higher than the 2023/24 staff costs budget by £1.3 million. This is due to the 3 year pay deal for both academic and professional staff of £5,000 over the 3 years from 2022/23 to 2024/25. It also includes an increase in SPPA employers pension contributions, which is partly offset by a decrease in LGPS employers contributions.
11. Premises costs – overall they have reduced by £28,000, with the main changes being:  
Energy costs – increase in energy costs of £16,000 compared to the 2023/24. Work is continuing to review the operation of the building management system (BMS) to reduce energy consumption within the building.  
Rates and water – non-domestic rates have decreased, due to the sale of the Longman building and following a revised application, a reduction in NDR to zero for Burnett Road.  
Cleaning costs – forecast reduction in 24/25 budget due to cleaning contract budget being lower than estimated compared to the 2023/24 budget.
12. Other operating costs – overall, other operating costs have decrease by £231,000, mainly due to a reduction in consultancy & legal fees.

Financial Forecast Return June 2024

College	UHI Inverness
Contact	Niall McArthur
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DECLARATION:	The attached worksheets represent the financial forecasts for the College. They reflect a financial statement of our academic and physical plans from 2023-24 to 2026-27. Adequate explanations have been provided where requested on the return. The worksheets and their underpinning assumptions have been reviewed and approved by the Board of Management in accordance with their agreed practices. In preparing this financial forecast the College has fully considered the financial implications of all aspects of its strategy and has properly reflected these in the forecast.
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Signed:	 . 
	Principal/Chief Executive Officer
Date:	16th July 2024

UHI Inverness

		Forecast 2023-24 FTE	Forecast 2024-25 FTE	Forecast 2025-26 FTE	Forecast 2026-27 FTE
<b>ANNUAL STAFFING EFFICIENCIES (savings reflected in FFR)</b>					
1	FTE Staff reduction - vacancy management	0	0	0	0
	FTE Staff reduction - voluntary severance (related restructuring costs to be set out in section 2 below)	0	0	0	0
	FTE Staff reduction - compulsory redundancy (redundancy costs to be set out in section 2 below)	0	0	0	0
	<b>Staff reduction - total</b>	0	0	0	0
		<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
2	Voluntary severance costs	0	0	0	0
	Compulsory redundancy costs	0	0	0	0
	<b>Total</b>	0	0	0	0
	CHECK - Staff restructuring costs per SOCIE	0	0	0	0
3	<b>NON-STAFF COST EFFICIENCIES (savings reflected in FFR)</b>	0	0	0	0



Pension Assumptions	2023-24	2024-25	2025-26	2026-27	2023-24	2024-25	2025-26	2026-27
Employer Contributions	£000	£000	£000	£000	Details of Methodology and Valuation	Details of Methodology and Valuation	Details of Methodology and Valuation	Details of Methodology and Valuation
STSS	1,750	1,920	1,930	1,940	National rates - 26%	National rates - 26%	National rates - 26%	National rates - 26%
LGPS	980	950	950	950	By Actuary 17.1% Employer	By Actuary 17.1% Employer	By Actuary 17.1% Employer	By Actuary 17.1% Employer
Other pension scheme - please state which scheme	0	0	0	0				
Other pension scheme - please state which scheme	0	0	0	0				
Total	2,730	2,870	2,880	2,890				

	Actual 2022-23	Forecast 2023-24	Forecast 2024-25	Forecast 2025-26	Forecast 2026-27	2022-23 - 2023-24	2023-24- 2024-25	2024-25 - 2025-26	2025-26 - 2026-27
<b>Statement of Comprehensive income and expenditure (Consolidated)</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
<b>INCOME</b>									
Tuition fees and education contracts	4,848	4,589	5,137	5,187	5,187	-5.3%	11.9%	1.0%	0.0%
Funding council/RSB grants	21,587	20,737	21,675	22,481	22,866	-3.9%	4.5%	3.7%	1.7%
Research grants and contracts	634	1,144	1,332	1,332	1,332	80.4%	16.4%	0.0%	0.0%
Other income	2,942	1,864	1,301	1,311	1,321	-36.6%	-30.2%	0.8%	0.8%
Investment income	32	50	30	20	10	56.3%	-40.0%	-33.3%	-50.0%
<b>Total income before donations and endowments</b>	<b>30,043</b>	<b>28,384</b>	<b>29,475</b>	<b>30,331</b>	<b>30,716</b>	<b>-5.5%</b>	<b>3.8%</b>	<b>2.9%</b>	<b>1.3%</b>
Donations and endowments	0	0	0	0	0				
<b>Total income</b>	<b>30,043</b>	<b>28,384</b>	<b>29,475</b>	<b>30,331</b>	<b>30,716</b>	<b>-5.5%</b>	<b>3.8%</b>	<b>2.9%</b>	<b>1.3%</b>
<b>EXPENDITURE</b>									
Staff costs	20,212	18,641	19,553	19,924	20,153	-7.8%	4.9%	1.9%	1.1%
Staff costs - exceptional restructuring costs	0	0	0	0	0				
Exceptional costs - non-staff	0	0	0	0	0				
Other operating expenses	7,155	6,668	6,859	6,813	6,762	-6.8%	2.9%	-0.7%	-0.7%
Donation to Arms Length Foundation	0	0	0	0	0				
Depreciation	2,249	1,000	1,000	1,000	1,000	-55.5%	0.0%	0.0%	0.0%
Interest and other finance costs	3,009	2,814	2,814	2,814	2,814	-6.5%	0.0%	0.0%	0.0%
<b>Total expenditure</b>	<b>32,625</b>	<b>29,123</b>	<b>30,226</b>	<b>30,551</b>	<b>30,729</b>	<b>-10.7%</b>	<b>3.8%</b>	<b>1.1%</b>	<b>0.6%</b>
<b>Surplus/(deficit) before other gains and losses and share of operating surplus/deficit of joint ventures and associates</b>	<b>(2,582)</b>	<b>(739)</b>	<b>(751)</b>	<b>(220)</b>	<b>(13)</b>	<b>-71.4%</b>	<b>1.6%</b>	<b>-70.7%</b>	<b>-94.1%</b>
Gain/(loss) on disposal of fixed assets	0	0	0	0	0				
Gain/(loss) on investments	0	0	0	0	0				
Share of operating surplus/(deficit) in joint venture(s)	0	0	0	0	0				
Share of operating surplus/(deficit) in associate(s)	0	0	0	0	0				
<b>Surplus/(deficit) before tax</b>	<b>(2,582)</b>	<b>(739)</b>	<b>(751)</b>	<b>(220)</b>	<b>(13)</b>	<b>-71.4%</b>	<b>1.6%</b>	<b>-70.7%</b>	<b>-94.1%</b>
Other taxation	0	0	0	0	0				
<b>Surplus/(deficit) for the year</b>	<b>(2,582)</b>	<b>(739)</b>	<b>(751)</b>	<b>(220)</b>	<b>(13)</b>	<b>-71.4%</b>	<b>1.6%</b>	<b>-70.7%</b>	<b>-94.1%</b>
Unrealised surplus on revaluation of land and buildings	0	0	0	0	0				
Actuarial (loss)/gain in respect of pension schemes	0	0	0	0	0				
Other comprehensive income	0	0	0	0	0				
<b>Total comprehensive income for the year</b>	<b>(2,582)</b>	<b>(739)</b>	<b>(751)</b>	<b>(220)</b>	<b>(13)</b>	<b>-71.4%</b>	<b>1.6%</b>	<b>-70.7%</b>	<b>-94.1%</b>

Explanation for variance

## UHI Inverness

INCOME		Actual 2022-23	Forecast 2023-24	Forecast 2024-25	2022-23 - 2023-24	2023-24- 2024-25	Explanation for variance
		£000	£000	£000	%	%	
<b>1</b>	<b>Tuition fees and education contracts</b>						
	a) FE - UK	85	110	120	29%	9%	
	b) FE - EU	0	0	0			
	c) HE	2,445	2,581	2,718	6%	5%	
	d) Non-EU	137	167	200	22%	20%	
	e) SDS contracts	2,181	1,731	2,099	(21%)	21%	
	f) Education contracts	0	0	0			
	g) Other	0	0	0			
	<b>Total tuition fees and education contracts</b>	<b>4,848</b>	<b>4,589</b>	<b>5,137</b>	(5%)	12%	
<b>2</b>	<b>SFC / RSB Grants</b>						
	a) SFC / RSB FE recurrent grant (including fee waiver)	10,171	9,763	10,044	(4%)	3%	
	b) UHI recurrent grant - HE provision	4,795	4,993	6,324	4%	27%	
	c) FE Childcare funds	122	0	0	(100%)		
	d) Release of SFC / RSB deferred capital grants	344	300	300	(13%)	0%	
	e) SFC capital grant	107	107	104	0%	(3%)	
	f) SFC grant for NPD	4,968	4,918	4,903	(1%)	(0%)	
	g) Other SFC / RSB grants - FE provision	528	0	0	(100%)		
	h) Other UHI grants - HE provision	552	656	0	19%	(100%)	
	<b>Total SFC / RSB Grants</b>	<b>21,587</b>	<b>20,737</b>	<b>21,675</b>	(4%)	5%	
<b>3</b>	<b>Research grants and contracts</b>						
	a) European Commission	634	1,144	1,332	80%	16%	
	b) Other grants and contracts	0	0	0			
	<b>Total research grants and contracts</b>	<b>634</b>	<b>1,144</b>	<b>1,332</b>	80%	16%	
<b>4</b>	<b>Other Income</b>						
	a) Catering and residences	581	520	591	(10%)	14%	
	b) Other European Income	0	0	0			
	c) Other income generating activities	338	200	147	(41%)	(27%)	
	d) Grants from ALF	0	0	0			
	i) Revenue	0	0	0			
	II) Capital	0	0	0			
	e) Non-government capital grant	0	0	0			
	f) Other grant income	0	0	0			
	g) Release of non-SFC government deferred capital grant	0	0	0			
	h) Other income	2,023	1,144	563	(43%)	(51%)	
	<b>Total other income</b>	<b>2,942</b>	<b>1,864</b>	<b>1,301</b>	(37%)	(30%)	
<b>5</b>	<b>Investment income</b>						
	a) Investment income on endowments	0	0	0			
	b) Investment income on restricted reserves	0	0	0			
	c) Other investment income	0	0	0			
	d) Other interest receivable	32	50	30	56%	(40%)	
	e) Net return on pension scheme	0	0	0			
	<b>Total investment income</b>	<b>32</b>	<b>50</b>	<b>30</b>	56%	(40%)	
<b>6</b>	<b>Donations and endowment income</b>						
	a) New endowments	0	0	0			
	b) Donations with restrictions	0	0	0			
	c) Unrestricted donations	0	0	0			
	<b>Total donation and endowment income</b>	<b>0</b>	<b>0</b>	<b>0</b>			

**UHI Inverness**  
**EXPENDITURE**

		Actual 2022-23	Forecast 2023-24	Forecast 2024-25	2022-23 - 2023-24	2023-24- 2024-25	Explanation for variance
		£000	£000	£000	%	%	
<b>STAFF COSTS</b>							
1 Teaching departments		10,947	10,821	11,323	(1%)	5%	
2 Teaching support services		1,593	1,545	1,620	(3%)	5%	
3 Other support services		887	830	870	(6%)	5%	
4 Administration and central services		5,332	4,455	4,700	(16%)	5%	
5 Premises		308	320	340	4%	6%	
6 Catering and residences		403	390	410	(3%)	5%	
7 Other income generating activities		0	0	0			
8 Other staff costs		0	280	290		4%	
9 Impact of FRS 102 pensions reported costs (less contributions paid included above)		742					
<b>Normal staff costs</b>		<b>20,212</b>	<b>18,641</b>	<b>19,553</b>	<b>(8%)</b>	<b>5%</b>	
10 Exceptional restructuring costs		0	0	0			
<b>Total staff costs</b>		<b>20,212</b>	<b>18,641</b>	<b>19,553</b>	<b>(8%)</b>	<b>5%</b>	
<b>Additional breakdown of staff costs</b>							
	Salaries	15,141	14,655	15,300	(3%)	4%	
	Social security costs	1,328	1,256	1,320	(5%)	5%	
	Pension contributions	2,722	2,730	2,870	0%	5%	
	Non-cash pension adjustments - net service cost	742					
	Non-cash pension adjustments - early retirement provision	279					
	Severance payments	0	0	0			
	<b>Total staff costs</b>	<b>20,212</b>	<b>18,641</b>	<b>19,490</b>	<b>(8%)</b>	<b>5%</b>	
<b>NON-STAFF COSTS</b>							
1 Exceptional costs - non-staff		0	0	0			
2 Other operating expenses	a) Teaching departments	2,192	2,045	2,180	(7%)	7%	
	b) Teaching support services	0	0	0			
	c) Other support services	81	75	90	(7%)	20%	
	d) Administration and central services	1,040	1,450	1,555	39%	7%	
	e) General education	0	0	0			
	f) Premises	2,539	2,064	1,940	(19%)	(6%)	
	(i) Maintenance	720	820	710	14%	(13%)	
	(ii) Utilities	571	730	720	28%	(1%)	
	(iii) Other	1,248	514	510	(59%)	(1%)	
	g) Catering and residences	408	390	430	(4%)	10%	
	h) Other income generating activities	773	530	550	(31%)	4%	
	i) Overspend on student support funds *	0	0	0			
	j) Planned maintenance	0	0	0			
	k) Movement on early retirement pension provision	0	0	0			
	l) NPD	0	0	0			
	m) Other	122	114	114	(7%)	0%	
<b>Total other operating expenses</b>		<b>7,155</b>	<b>6,668</b>	<b>6,859</b>	<b>(7%)</b>	<b>3%</b>	
3 Depreciation	a) Government funded assets	0	0	0			
	b) Non-government funded assets	1,060	0	0	(100%)		
	c) NPD funded assets	1,189	1,000	1,000	(16%)	0%	
<b>Total depreciation</b>		<b>2,249</b>	<b>1,000</b>	<b>1,000</b>	<b>(56%)</b>	<b>0%</b>	
4 Interest	a) On bank loans, overdrafts and other loans	0	0	0			
	b) Finance lease interest	0	0	0			
	c) Other	0	0	0			
	d) Net charge on pension scheme	84			(100%)		
	e) NPD interest	2,925	2,814	2,814	(4%)	0%	
<b>Total interest</b>		<b>3,009</b>	<b>2,814</b>	<b>2,814</b>	<b>(6%)</b>	<b>0%</b>	

\* Includes any overspend on bursaries, discretionary funds, and student funds received from SAAS, but excludes childcare funds.

## UHI Inverness

	Actual 2022-23 £000	Forecast 2023-24 £000	Forecast 2024-25 £000	Forecast 2025-26 £000	Forecast 2026-27 £000	2022-23 - 2023-24 %	2023-24 - 2024-25 %	2024-25 - 2025-26 %	2025-26 - 2026-27 %	Explanation for variance
<b>ADJUSTED OPERATING RESULT</b>										
<b>Surplus/(deficit) before other gains and losses and share of operating surplus/deficit of joint ventures and associates</b>	<b>(2,582)</b>	<b>(739)</b>	<b>(751)</b>	<b>(220)</b>	<b>(13)</b>					
<b>Add:</b>										
Total depreciation (Government-funded, privately funded and NPD-funded assets) net of deferred capital grant release ( <i>incorporated colleges only</i> )	1,905	700	700	700	700	-63.3%	0.0%	0.0%	0.0%	
Exceptional non-restructuring items (e.g. impairment costs)	0	0	0	0	0					
Donation to Arms-Length Foundation ( <i>incorporated colleges only</i> )	0	0	0	0	0					
Non-cash pension adjustment - net service cost	742									
Non-cash pension adjustment - ERP	279									
Non-cash pension adjustment - net interest costs	84									
<b>Deduct:</b>										
Non-Government capital grants (e.g. ALF capital grant)	0	0	0	0	0					
Exceptional income (if disclosed as exceptional in accounts)	0	0	0	0	0					
Revenue budget allocated to loan repayments and other capital items ( <i>incorporated colleges only</i> )	817	817	817	817	817	0.0%	0.0%	0.0%	0.0%	
NPD payments to reduce NPD balance sheet debt	0	0	0	0	0					
<b>Adjusted operating result</b>	<b>(389)</b>	<b>(856)</b>	<b>(868)</b>	<b>(337)</b>	<b>(130)</b>	120.1%	1.4%	-61.2%	-61.4%	
<b>Revenue budget allocated to non-revenue expenditure (<i>incorporated colleges</i>) :</b>										
Loan repayments	0	0	0	0	0					
NPD / PFI repayments	817	817	817	817	817					
Estates costs	0	0	0	0	0					
Provisions pre 1 April 2014	0	0	0	0	0					
	<b>817</b>	<b>817</b>	<b>817</b>	<b>817</b>	<b>817</b>					

Balance Sheet		Actual 2022-23	Forecast 2023-24	Forecast 2024-25	Forecast 2025-26	Forecast 2026-27	2022-23 - 2023-24	2023-24- 2024-25	2024-25 - 2025-26	2025-26 - 2026-27
		£000	£000	£000	£000	£000	%	%	%	%
1 Non-current assets	a) Intangible assets	0	0	0	0	0				
	b) Fixed assets	56,231	55,100	55,024	54,090	52,978	-2.0%	-0.1%	-1.7%	-2.1%
	c) Investments	0	0	0	0	0				
<b>Total non-current assets</b>		<b>56,231</b>	<b>55,100</b>	<b>55,024</b>	<b>54,090</b>	<b>52,978</b>	-2.0%	-0.1%	-1.7%	-2.1%
2 Current assets	a) Stock	48	48	48	48	48	0.0%	0.0%	0.0%	0.0%
	b) Debtors	2,802	2,802	2,802	2,802	2,802	0.0%	0.0%	0.0%	0.0%
	c) Investments	0	0	0	0	0				
	d) Cash and cash equivalents	6,775	6,866	4,750	4,132	3,800	1.3%	-30.8%	-13.0%	-8.0%
	e) Other (e.g. assets for resale)	1,240	1,240	1,240	1,240	1,240	0.0%	0.0%	0.0%	0.0%
<b>Total current assets</b>		<b>10,865</b>	<b>10,956</b>	<b>8,840</b>	<b>8,222</b>	<b>7,890</b>	0.8%	-19.3%	-7.0%	-4.0%
3 Creditors: amounts falling due within one year	a) Bank loans and external borrowing	0	0	0	0	0				
	b) Bank overdrafts	0	0	0	0	0				
	c) Lennartz creditor	0	0	0	0	0				
	d) Obligations under finance leases and service concessions	0	0	0	0	0				
	e) Payments received in advance	541	541	541	541	541	0.0%	0.0%	0.0%	0.0%
	f) Amounts owed to SFC	0	0	0	0	0				
	g) Obligations under PFI/NPD	941	941	1,032	1,131	1,239	0.0%	9.7%	9.6%	9.5%
	h) Deferred capital grant	344	300	300	300	300				
	i) Other creditors and accruals	5,356	6,340	5,200	5,200	5,200	18.4%	-18.0%	0.0%	0.0%
<b>Total creditors &lt; 1 year</b>		<b>7,182</b>	<b>8,122</b>	<b>7,073</b>	<b>7,172</b>	<b>7,280</b>	13.1%	-12.9%	1.4%	1.5%
<b>Share of net assets/(liabilities) in associate</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>				
<b>NET CURRENT ASSETS/LIABILITIES</b>		<b>3,683</b>	<b>2,834</b>	<b>1,767</b>	<b>1,050</b>	<b>610</b>	-23.1%	-37.6%	-40.6%	-41.9%
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>59,914</b>	<b>57,934</b>	<b>56,791</b>	<b>55,140</b>	<b>53,588</b>	-3.3%	-2.0%	-2.9%	-2.8%
4 Creditors: amounts falling due after more than one year	a) Local authority loans	0	0	0	0	0				
	b) Bank loans and external borrowing	0	0	0	0	0				
	c) Lennartz creditor	0	0	0	0	0				
	d) Finance leases and service concessions	0	0	0	0	0				
	e) Obligations under PFI/NPD	33,830	32,889	31,857	30,726	29,487	-2.8%	-3.1%	-3.6%	-4.0%
	f) Deferred capital grant	8,490	8,190	8,830	8,530	8,230				
	g) Amounts repayable to Funding Council	0	0	0	0	0				
	h) Other creditors	0	0	0	0	0				
<b>Total creditors &gt;1 year</b>		<b>42,320</b>	<b>41,079</b>	<b>40,687</b>	<b>39,256</b>	<b>37,717</b>	-2.9%	-1.0%	-3.5%	-3.9%
5 Provisions	a) Pension provisions	1,770	1,770	1,770	1,770	1,770	0.0%	0.0%	0.0%	0.0%
	b) Other	0	0	0	0	0				
<b>Total provisions</b>		<b>1,770</b>	<b>1,770</b>	<b>1,770</b>	<b>1,770</b>	<b>1,770</b>	0.0%	0.0%	0.0%	0.0%
<b>TOTAL NET ASSETS</b>		<b>15,824</b>	<b>15,085</b>	<b>14,334</b>	<b>14,114</b>	<b>14,101</b>	-4.7%	-5.0%	-1.5%	-0.1%
9 Restricted Reserves	a) Endowment Reserve	0	0	0	0	0				
	b) Restricted Reserve	0	0	0	0	0				
10 Unrestricted reserves	a) Income and Expenditure Reserve	3,317	2,578	1,827	1,607	1,594	-22.3%	-29.1%	-12.0%	-0.8%
	b) Revaluation reserve	12,507	12,507	12,507	12,507	12,507	0.0%	0.0%	0.0%	0.0%
11 Non-controlling interest		0	0	0	0	0				
<b>TOTAL RESERVES</b>		<b>15,824</b>	<b>15,085</b>	<b>14,334</b>	<b>14,114</b>	<b>14,101</b>	-4.7%	-5.0%	-1.5%	-0.1%

Explanation for variance



## Liquidity Analysis

		Actual 2022-23	Forecast 2023-24	Forecast 2024-25	Forecast 2025-26	Forecast 2026-27	2022-23 - 2023-24	2023-24 - 2024-25	2024-25 - 2025-26	2025-26 - 2026-27
		£000	£000	£000	£000	£000	%	%	%	%
1 Current assets	a) Stock	48	48	48	48	48	0.0%	0.0%	0.0%	0.0%
	b) Debtors	2,802	2,802	2,802	2,802	2,802	0.0%	0.0%	0.0%	0.0%
	c) Investments	0	0	0	0	0				
	d) Cash and cash equivalents	6,775	6,866	4,750	4,132	3,800	1.3%	-30.8%	-13.0%	-8.0%
<b>Total current assets</b>		<b>9,625</b>	<b>9,716</b>	<b>7,600</b>	<b>6,982</b>	<b>6,650</b>	<b>0.9%</b>	<b>-21.8%</b>	<b>-8.1%</b>	<b>-4.8%</b>
2 Creditors: amounts falling due within one year excl Deferred Capital Grants	a) Bank loans and external borrowing	0	0	0	0	0				
	b) Bank overdrafts	0	0	0	0	0				
	c) Lennartz creditor	0	0	0	0	0				
	d) Obligations under finance leases and service concessions	0	0	0	0	0				
	e) Payments received in advance	541	541	541	541	541	0.0%	0.0%	0.0%	0.0%
	f) Amounts owed to SFC	0	0	0	0	0				
	g) Obligations under PFI/NPD (unfunded only)	0	0	0	0	0				
	h) Other creditors and accruals	5,356	6,340	5,200	5,200	5,200	18.4%	-18.0%	0.0%	0.0%
<b>Total creditors &lt; 1year excl Deferred Capital Grants</b>		<b>5,897</b>	<b>6,881</b>	<b>5,741</b>	<b>5,741</b>	<b>5,741</b>	<b>16.7%</b>	<b>-16.6%</b>	<b>0.0%</b>	<b>0.0%</b>
<b>Liquidity position (baseline cash)</b>		<b>3,728</b>	<b>2,835</b>	<b>1,859</b>	<b>1,241</b>	<b>909</b>	<b>-24.0%</b>	<b>-34.4%</b>	<b>-33.2%</b>	<b>-26.8%</b>
<b>Liquidity ratio</b>		<b>1.63</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>				
<b>ADDITIONAL INFORMATION</b>										
Longer Term Obligations under PFI / NPD (Unfunded Only)		0	0	0	0	0				
Other Longer Term Liabilities in Balance Sheet resulting in cash outflows		0	0	0	0	0				
Other Cash Commitments not included in Balance Sheet		0	0	0	0	0				
<b>Liquidity position less Longer Term Cash Liabilities/Commitments</b>		<b>3,728</b>	<b>2,835</b>	<b>1,859</b>	<b>1,241</b>	<b>909</b>	<b>-24.0%</b>	<b>-34.4%</b>	<b>-33.2%</b>	<b>-26.8%</b>

## UHI Inverness

Cashflow	Actual 2022-23 £000	Forecast 2023-24 £000	Forecast 2024-25 £000	Forecast 2025-26 £000	Forecast 2026-27 £000	2022-23 - 2023-24 %	2023-24 - 2024-25 %	2024-25 - 2025-26 %	2025-26 - 2026-27 %	Explanation for variance
<b>1 Cash flow from operating activities</b>										
a) Surplus / (deficit) for the year	-2582	-739	-751	-220	-13	(71%)	2%	(71%)	(94%)	
<b>2 Adjustment for non-cash items</b>										
a) Depreciation	2,249	1,000	1,000	1,000	1,000	(56%)	0%	0%	0%	
b) Amortisation of intangibles	826	0	0	0	0	(100%)				
c) Benefit on acquisition	0	0	0	0	0					
d) Amortisation of goodwill	0	0	0	0	0					
e) Loss / (gain) on investments	0	0	0	0	0					
f) Decrease / (increase) in stock	5	0	0	0	0	(100%)				
a) Decrease / (increase) in debtors	(307)	0	0	0	0	(100%)				
h) Increase / (decrease) in creditors	210	940	(940)	0	0	348%	(200%)	(100%)		
i) Increase / (decrease) in pension provision	143	0	0	0	0	(100%)				
j) Increase / (decrease) in other provisions	0	(293)	(608)	(581)	(502)		108%	(4%)	(14%)	
k) Receipt of donated equipment	0	0	0	0	0					
l) Share of operating surplus / (deficit) in joint venture	0	0	0	0	0					
m) Share of operating surplus / (deficit) in associate	0	0	0	0	0					
n) Other	0	0	0	0	0					
<b>Total adjustment for non-cash items</b>	3,126	1,647	(548)	419	498	(47%)	(133%)	(176%)	19%	
<b>3 Adjustment for investing or financing activities</b>										
a) Investment income	(32)	(50)	(30)	(20)	(10)	56%	(40%)	(33%)	(50%)	
b) Interest payable	3,009	2,814	2,814	2,814	2,814	(6%)	0%	0%	0%	
c) Endowment income	0	0	0	0	0					
d) Loss / (gain) on the sale of assets	0	0	0	0	0					
e) Capital grant income	0	0	0	0	0					
<b>Total adjustment for investing or financing activities</b>	2,977	2,764	2,784	2,794	2,804	(7%)	1%	0%	0%	
<b>4 Net cash inflow from operating activities</b>	<b>3,521</b>	<b>3,672</b>	<b>1,485</b>	<b>2,993</b>	<b>3,289</b>	4%	(60%)	102%	10%	
<b>5 Cash flow from investing activities</b>										
a) Proceeds from sales of fixed assets	0	0	0	0	0					
b) Proceeds from sales of intangible assets	0	0	0	0	0					
c) Capital grants receipts	0	0	0	0	0					
d) Disposal of non-current asset investments	0	0	0	0	0					
e) Withdrawal of deposits	0	0	0	0	0					
f) Investment income	32	50	30	20	10	56%	(40%)	(33%)	(50%)	
g) Payments made to acquire fixed assets	(448)	0	0	0	0	(100%)				
h) Payments made to acquire intangible assets	0	0	0	0	0					
i) New non-current asset investments	0	0	0	0	0					
j) New deposits	0	0	0	0	0					
<b>Total cash flows from investing activities</b>	(416)	50	30	20	10	(112%)	(40%)	(33%)	(50%)	
<b>6 Cash flows from financing activities</b>										
a) Interest paid	(84)	0	0	0	0	(100%)				
b) Interest element of finance lease and service concession	(2,925)	(2,814)	(2,814)	(2,814)	(2,814)	(4%)	0%	0%	0%	
c) Endowment cash received	0	0	0	0	0					
d) New secured loans	0	0	0	0	0					
e) New unsecured loans	0	0	0	0	0					
f) Repayments of amounts borrowed	(817)	(817)	(817)	(817)	(817)	0%	0%	0%	0%	
g) Capital element of finance lease and service concession payments	0	0	0	0	0					
<b>Total cash flows from financing activities</b>	(3,826)	(3,631)	(3,631)	(3,631)	(3,631)	(5%)	0%	0%	0%	
<b>7 (Decrease) / increase in cash and cash equivalents in the year</b>	<b>(721)</b>	<b>91</b>	<b>(2,116)</b>	<b>(618)</b>	<b>(332)</b>	(113%)	(2425%)	(71%)	(46%)	
<b>8 Cash and cash equivalents at beginning of the year</b>	<b>7,496</b>	<b>6,775</b>	<b>6,866</b>	<b>4,750</b>	<b>4,132</b>	(10%)	1%	(31%)	(13%)	
<b>9 Cash and cash equivalents at the end of the year</b>	<b>6,775</b>	<b>6,866</b>	<b>4,750</b>	<b>4,132</b>	<b>3,800</b>	1%	(31%)	(13%)	(8%)	

## UHI Inverness

## Capital Expenditure Projects and Forecast Methods of Financing

	Actual 2022-23 £000	Forecast 2023-24 £000	Forecast 2024-25 £000	Forecast 2025-26 £000	Forecast 2026-27 £000	2022-23 - 2023-24 %	2023-24- 2024-25 %	2024-25 - 2025-26 %	2025-26 - 2026-27 %
<b>Expenditure:</b>									
Land & Buildings	0	71	1003	63	63		1312.7%	-93.7%	0.0%
Equipment & Others	0	0	0	0	0				
	0	71	1,003	63	63		1312.7%	-93.7%	0.0%
<b>Financed by:</b>									
Cash reserves	0	0	0	0	0				
ALF grants	0	0	940	0	0			-100.0%	
Leasing	0	0	0	0	0				
SFC/RSB grant	0	71	63	63	63		-11.3%	0.0%	0.0%
Re-investment of proceeds from disposal of assets *	0	0	0	0	0				
Non-SFC/RSB grants	0	0	0	0	0				
PFI/NPD	0	0	0	0	0				
Other - please specify if material	0	0	0	0	0				
	0	71	1,003	63	63		1312.7%	-93.7%	0.0%

\* to be included only where this has been agreed by SFC

	Actual 2022-23 £000	Forecast 2023-24 £000	Forecast 2024-25 £000	Forecast 2025-26 £000	Forecast 2026-27 £000
--	---------------------------	-----------------------------	-----------------------------	-----------------------------	-----------------------------

## Capital disposals

## Disposal proceeds:

Asset description	0	0	0	0	0
Asset description	0	0	0	0	0
Asset description	0	0	0	0	0
Asset description	0	0	0	0	0
	0	0	0	0	0

## Gain/(loss) on disposal:

Asset description	0	0	0	0	0
Asset description	0	0	0	0	0
Asset description	0	0	0	0	0
Asset description	0	0	0	0	0
	0	0	0	0	0



## UHI Inverness

## ALF Funding

	Actual 2022-23 £000	Forecast 2023-24 £000	Forecast 2024-25 £000	Forecast 2025-26 £000	Forecast 2026-27 £000
Estimated balance of cash in ALF as at 1 August	0	0	0	0	0
Donation to Arms Length Foundation	0	0	0	0	0
Grant from Arms Length Foundation - capital	0	0	0	0	0
Grant from Arms Length Foundation - revenue	0	0	0	0	0
<b>Estimated balance of cash in ALF as at 31 July</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Note:**

For most foundations, the most recent accounts available are for periods ending in 2023. Colleges' forecast movements will not include governance costs, donations from third parties, payments to third parties or investment income.

	Actual 2022-23 £000	Forecast 2023-24 £000	Forecast 2024-25 £000	Forecast 2025-26 £000	Forecast 2026-27 £000
<b>Grant from Arms Length Foundation - capital:</b>					
Description	0	0	0	0	0
Description	0	0	0	0	0
Description	0	0	0	0	0
Description	0	0	0	0	0
Description	0	0	0	0	0
Description	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Grant from Arms Length Foundation - revenue**

Description	0	0	0	0	0
Description	0	0	0	0	0
Description	0	0	0	0	0
Description	0	0	0	0	0
Description	0	0	0	0	0
Description	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**UHI Inverness**  
**FINANCIAL SUMMARY**

Actual 2022-23	Forecast 2023-24	Forecast 2024-25	Forecast 2025-26	Forecast 2026-27
£000	£000	£000	£000	£000

Income ratios					
Total Income	30,043	28,384	29,475	30,331	30,716
Total Funding Council Grant as % of Total Income	72%	73%	74%	74%	74%
Total non-Funding Council Grant as % of Total Income	28%	27%	26%	26%	26%
Total Education Contracts and Tuition Fees as % of Total Income	16%	16%	17%	17%	17%
Total Research Grants and Contracts as % of Total Income	2%	4%	5%	4%	4%
Total Other Income as % of Total Income	10%	7%	4%	4%	4%

Expenditure ratios					
Total Expenditure	32,625	29,123	30,226	30,551	30,729
Salaries as % of Total Expenditure	62%	64%	65%	65%	66%
Other operating costs as % of Total Expenditure	22%	23%	23%	22%	22%
Depreciation/amortisation as % of Total Expenditure	7%	3%	3%	3%	3%

Operating position					
Operating Surplus/(deficit)	(2,582)	(739)	(751)	(220)	(13)
Operating Surplus/(deficit) as % of Total Income	-9%	-3%	-3%	-1%	0%
Adjusted operating surplus/(deficit)	-389	-856	-868	-337	-130
Adjusted operating surplus/(deficit) as % of Total Income	-1.3%	-3.0%	-2.9%	-1.1%	-0.4%

Cash Position					
Cash and Current Asset Investments	6,775	6,866	4,750	4,132	3,800
Overdrafts	0	0	0	0	0
Days Ratio of Cash to Total Expenditure	81	89	59	51	47
Net cash inflow/(outflow) from operating activities	3,521	3,672	1,485	2,993	3,289
Net cash inflow/(outflow) from operating activities as % of Total Income	11.7%	12.9%	5.0%	9.9%	10.7%

Balance Sheet strength					
Unrestricted reserves	3,317	2,578	1,827	1,607	1,594
Liquidity ratio	1.63	1.41	1.32	1.22	1.16
Unrestricted reserves as % of Total Income	11%	9%	6%	5%	5%
Total borrowing (Overdrafts, Loans, Finance Leases, PFI/NPD)	34,771	33,830	32,889	31,857	30,726
Interest cover	0.14	0.74	0.73	0.92	1.00

<b>Subject/Title:</b>	Capital Budget Monitoring 2024/25
<b>Author:</b>	Niall McArthur – Director of Finance & Estates
<b>Meeting:</b>	Finance and General Purposes Committee
<b>Meeting Date:</b>	12 September 2024
<b>Date Paper prepared:</b>	5 September 2024
<b>Brief Summary of the paper:</b>	To present the capital budget monitoring for 2024/25.
<b>Action requested:</b> [Approval, recommendation, discussion, noting]	Noting

<b>Link to Strategy:</b> Please highlight how the paper links to, or assists with: <input type="checkbox"/> compliance <input type="checkbox"/> partnership services <input type="checkbox"/> risk management <input type="checkbox"/> strategic plan <input type="checkbox"/> new opportunity/change	Complying with Funding parameters
<b>Resource implications:</b>	Yes – monitoring of Financial Resources <b>If yes, please specify:</b>
<b>Risk implications:</b>	Yes <b>If yes, please specify:</b> Financial Operational
<b>Equality and Diversity implications:</b>	N/A

<b>Student Experience Impact:</b>	None		
<b>Consultation:</b> [staff, students, UHI & Partners, External] and provide detail	None		
<b>Status –</b> [Confidential/Non confidential]	Non-Confidential		
<b>Freedom of Information</b> Can this paper be included in “open” business* [Yes/No]	Yes		
*If a paper should <b>not</b> be included within “open” business, please highlight below the reason.			
Its disclosure would substantially prejudice a programme of research (S27)		Its disclosure would substantially prejudice the effective conduct of public affairs (S30)	
Its disclosure would substantially prejudice the commercial interests of any person or organisation (s33)		Its disclosure would constitute a breach of confident actionable in court (s36)	
Its disclosure would constitute a breach of the Data Protection Act (s38)		Other (Please give further details)	

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)



## **Recommendation**

That members note the capital budget monitoring for the year ended 31 July 2025.

## **Purpose of report**

To update the Committee of the final actual capital spend for the year ended 31 July 2024.

## **Capital Budget Monitoring 2024/25**

Capital Funding from the SFC is made up of:

1. HE Capital
2. FE Backlog
3. BIS Funding (Research)
4. FE Lifecycle Maintenance – this can be spent on property additions/improvements; or else annual maintenance and IT equipment. It is more versatile in spend parameters than the other three sources.

As a condition of the SFC capital grant funding, the College has to commit the capital expenditure by 31 March 2025 and to pay this by 31 July 2025.

The attached spreadsheet shows the grants allocated for the 2024/25 capital plan and these are noted below for each grant:

1. HE Capital – funding of £33,083
2. FE Backlog – funding of £8,018
3. BIS Funding (research) – funding of £28,551
4. FE Lifecycle Maintenance – funding of £104,279

A plan for the use of these funds is being drawn up and the funds will be committed and spent by the due dates noted above.

## INVERNESS COLLEGE

## Appendix 1

## CAPITAL BUDGET TO 31 JULY 25

	FE Lifecycle Maintenance £	Total £	HE Capital £	FE Backlog £	Sub Total £	BIS Research £	BIS Total £
<b>2024-25</b>							
	<u>104,279</u>	<u><b>104,279</b></u>	<u>33,083</u>	<u>8,018</u>	<u><b>41,101</b></u>	<u>28,551</u>	<u><b>28,551</b></u>
<b>2023-24</b>							
	<u>106,857</u>	<u><b>106,857</b></u>	<u>37,234</u>	<u>8,018</u>	<u><b>45,252</b></u>	<u>25,927</u>	<u><b>25,927</b></u>
<b>2022-23</b>							
	<u>106,857</u>	<u><b>106,857</b></u>	<u>159,775</u>	<u>8,018</u>	<u><b>167,793</b></u>	<u>23,341</u>	<u><b>23,341</b></u>

<b>Subject/Title:</b>	Revenue Budget Monitoring to 31 July 2024
<b>Author:</b>	Niall McArthur, Director of Finance & Estates
<b>Meeting:</b>	Finance & General Purposes Committee
<b>Meeting Date:</b>	12 September 2024
<b>Date Paper prepared:</b>	5 September 2024
<b>Brief Summary of the paper:</b>	To present the revenue budget monitoring for the year ended 31 July 2024.
<b>Action requested:</b> [Approval, recommendation, discussion, noting]	Noting

<b>Link to Strategy:</b> Please highlight how the paper links to, or assists with:: <input type="checkbox"/> compliance <input type="checkbox"/> partnership services <input type="checkbox"/> risk management <input type="checkbox"/> strategic plan <input type="checkbox"/> new opportunity/change	Financial Sustainability
<b>Resource implications:</b>	Yes – monitoring of Financial Resources <b>If yes, please specify:</b>

<b>Risk implications:</b>	Yes <b>If yes, please specify:</b> Financial Operational
<b>Equality and Diversity implications:</b>	N/A
<b>Student Experience Impact:</b>	None
<b>Consultation:</b> [staff, students, UHI & Partners, External] and provide detail	None
<b>Status – [Confidential/Non confidential]</b>	Non-Confidential
<b>Freedom of Information</b> Can this paper be included in “open” business* [Yes/No]	Yes
*If a paper should <b>not</b> be included within “open” business, please highlight below the reason.	
Its disclosure would substantially prejudice a programme of research (S27)	Its disclosure would substantially prejudice the effective conduct of public affairs (S30)
Its disclosure would substantially prejudice the commercial interests of any person or organisation (s33)	Its disclosure would constitute a breach of confident actionable in court (s36)
Its disclosure would constitute a breach of the Data Protection Act (s38)	Other (Please give further details)

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)

## Recommendation

Finance & General Purposes committee members are asked to note the report.

## Purpose of report

To provide an update on the current forecast position at July 2024, in terms of the revenue monitoring for the 12 months ended 31 July 2024.

## Revenue Monitoring – to 31 July 2024

This report provides an update to the committee on the forecast position of the college at the 12 month stage to July 2024.

Overall, the management accounts position is currently forecasting a draft operational deficit of £0.861 million, compared to the May 2024 forecast deficit of £0.757m and the original budget deficit of £418,000. A further breakdown of each income and expenditure line is provided in appendix 1 of the report.

The College is forecasting that it will meet the FE Credit target for 2023/24, with the actual number of credits at July 2024 currently being 26,546, compared to the target of 26,442. In terms of the HE UGT fte number for 2023/24, the current actual at July 2024 is 1,260 fte, compared to the target of 1,411 fte.

The main issues that affected the financial performance for the College in 2023/24 are noted below.

## Income

- Research grant funding (Red risk) - is below target, with the current forecast being a reduction of £356,000 in income for the year compared to the budget target.
- UHI HE grant funding (Red risk) - is forecast to be below target for 2023/24, with the current estimate being £255,000, which includes a provision for the adverse impact of the 2023/24 microram of £294,000 (2022/23 - £442,000).
- Tuition fees (Amber risk) – with the HE fte being below the target set for the year as noted above, there has been a knock-on effect on tuition fees, which is being forecast to be below target by £65,000.
- Refectory & restaurant income (Amber risk) – ended the year £22,000 below income target of £653,700, mainly due to event income being below target. However, this was offset by a reduction in refectory expenditure.
- SDS & Other contract income (Amber risk) –forecast to be £66,000 below the income target of £1.731 million, mainly due to timing of contract payments.

- Commercial income (Green risk) – based on current income levels, forecast to be £25,000 above the income target of £442,500, mainly due to additional FWDF income which was not budgeted for.
- Miscellaneous income (Green risk) – forecast to be £370,000 above the income target of £515,480, mainly due to additional other income not budgeted for, including bank interest of £180,000 for the year, compared to budget income of £7,500.

## **Expenditure**

- Staff costs (Red risk) - are forecast to be £279,000 over budget, assuming a cost of living pay increase of 5% (£2,000/fte) for 2022/23 and 3% (£1,500/ fte) for 2023/24. The back-dated pay award for professional staff was paid to staff in July 2024, however the academic staff back dated pay award is still outstanding and a provision has been included in the forecast for this for 2022/23 and 2023/24. This compares to a budgeted 3% increase for 2022/23, with the additional cost of the 5% increase being approximately £250,000. It also includes additional SPPA employer costs, which increased from 23% to 26% in April 2024, with the approximate cost for the 4 months to July 2024 being £100,000. It is still uncertain whether the increase will be funded by SFC, and at present, no income related to this additional cost is included in the forecast. Other staff costs and travel costs are forecast to be the same as the budget for the year to 31 July 2024.
- Premises costs (Red risk) - are forecast to be £114,000 above the budget of £1.964million. This is mainly due to the forecast overspend in energy costs of £190,000, which is partly offset by an underspend in the HIE maintenance costs, non-domestic rates and the revenue costs incurred from the sale of the Longman site.
- Other Operating costs (Green risk) - are forecast to be £331,000 below the budget of £7.973million. This is due to the forecast underspend in a number of different areas including equipment, materials and VAT, as well as the revenue costs incurred from the sale of the Longman site.

An additional appendix has also been added to the monitoring report, which shows the budget monitoring variances to July 2024, and whether they are within or out with the colleges control, along with a note on each one highlighting further details of each variance.

## **Student Support Funding**

The Student Support funding is forecast to be underspent in 2023/24 by approximately £605,000, compared to £505,000 in 2022/23. This figure is higher than forecast and so this is

being checked by the finance team to ensure all student support funding expenditure has been coded correctly.

## **Liquidity**

The bank balance at the end of July 2024 was £8.619 million, compared to the bank balance at July 2023 of £6.774 million. The forecast bank balance is higher than forecast due to a number of factors and these are noted below:

- Academic staff back dated pay award still outstanding – estimate of £1.2 million.
- Student support fund estimate recovery of funds - £0.605 million.
- Sale of Longman net proceeds – to be reinvested in the planned sustainable construction centre/ recovered by SFC - £0.8 million
- ALF funding – monies held for estate projects - £0.9 million

Once these 4 amounts are netted off, the cash balance reduces to £5.114 million, which is the underlying cash balance forecasted during the year.

## **Appendix 1**

**1. SFC FE Funding**

The forecast figure is £9.874 million, which is in line with the budget figure. Current forecasts are that the college will exceed its credit target of 26,657 credits for 2023/24, with actual credits to the end of May 2024 being 26,555 credits.

**2. UHI HE Funding**

The UHI HE grant is lower than the budget due to the forecast HE fte's being below the original target, with the forecast HE grant figure being £5.755 million.

**3. Tuition Fees**

Overall, tuition fees income is forecast to be below the budget figure by £65,000, due to HE numbers being below the target figure for the year.

**4. Other Grant Funding - Research**

Forecast to be £356,000 below budgeted income, mainly due to lower-than-expected research income.

**5. Refectories**

As noted above, due to a decrease in the event income forecast for the year, the overall forecast is below the target of £653,700 for the year by £22,000.

**6. SDS**

At present, the forecast for the year is the same as the original budget figure of £1.731 million, and this will be closely monitored for the remainder of the year.

**7. Commercial**

Short Course and commercial income for 2023/24 is forecast to be above the original budget of £442,500 by £25,000, due to additional FWDF income received for the year, which was not included in the original budget.

**8. Miscellaneous Income**

The miscellaneous income is currently forecast to be above the original budget of £515,480 by £368,000. This is due to additional ALF income related to curriculum development and for estates works, as well as additional bank interest earned on cash balances.

**9. NPD/ Unitary Charge Income**

As previously reported, this is an area the College is reviewing. However, increasingly we are looking at income reimbursement from the SFC. The SFC also has been reviewing this in terms of Scottish Government funding and support for colleges who have NPD contracts.



**10. Staff Costs**

Staff costs - are forecast to be £279,000 over budget, assuming a cost of living pay increase of 5% (£2,000/fte) for 2022/23 and 3% (£1,500/ fte) for 2023/24. The back-dated pay award for professional staff was paid to staff in July 2024, however the academic staff back dated pay award is still outstanding and a provision has been included in the forecast for this for 2022/23 and 2023/24. This compares to a budgeted 3% increase for 2022/23, with the additional cost of the 5% increase being approximately £250,000. It also includes additional SPPA employer costs, which increased from 23% to 26% in April 2024, with the approximate cost for the 4 months to July 2024 being £100,000. It is still uncertain whether the increase will be funded by SFC, and at present, no income related to this additional cost is included in the forecast. Other staff costs and travel costs are forecast to be the same as the budget for the year to 31 July 2024.

**11. Premises Costs**

Premises costs - are forecast to be £114,000 above budget of £1.964million. This is mainly due to the forecast overspend in energy costs of £130,000, which is partly offset by an underspend in the HIE maintenance costs and the revenue costs incurred from the sale of the Longman site.

**12. Other Operating Costs**

Other Operating costs - are forecast to be £331,000 below the budget of £7.973million. This is due to the forecast underspend in a number of different areas including equipment, materials and VAT, as well as the revenue costs incurred from the sale of the Longman site.

## INVERNESS COLLEGE

PERIOD ENDED 31-Jul-24

## INCOME AND EXPENDITURE ACCOUNT

	Note	Actual 31-Jul-24 £	Budget 31-Jul-24 £	Estimated Outturn 31-Jul-24 £	Variance from Budget £	Risk
<b>Income</b>						
Scottish Funding Council FE Grants	1	9,874,288	9,885,000	9,874,425	(10,575)	G
UHI	2	6,170,055	6,010,788	5,755,616	(255,172)	R
Tuition Fees	3	2,812,473	2,877,127	2,812,097	(65,030)	A
Other Grants - Research	4	1,310,506	1,424,254	1,068,254	(356,000)	R
Refectory and Training Restaurant	5	631,044	653,700	631,700	(22,000)	A
SDS	6	1,665,215	1,731,307	1,665,307	(66,000)	A
Commercial	7	467,067	442,500	467,500	25,000	G
Miscellaneous	8	944,253	515,480	884,302	368,822	G
Unitary Charge	9	5,057,136	4,903,884	4,903,884	0	
		28,932,037	28,444,040	28,063,085	(380,955)	
<b>Staff Costs</b>						
Teaching	10	9,679,417	9,959,814	10,046,388	(86,574)	
Teaching Support		1,715,766	1,621,652	1,574,555	47,097	
Premises		409,272	254,504	349,736	(95,232)	
Administration and Support		4,493,458	3,993,986	4,138,131	(144,145)	
Hospitality		395,421	419,237	380,192	39,045	
Research		1,058,567	1,141,232	1,136,496	4,736	
Business Development		460,312	404,419	448,327	(43,908)	
Provision		52,213	60,000	60,000	0	
		18,264,426	17,854,844	18,133,824	(278,980)	R
Job Evaluation				0	0	
		18,264,426	17,854,844	18,133,824	(278,980)	
Other Staff Costs		(931,150)	370,749	370,749	0	A
		17,333,276	18,225,593	18,504,573	(278,980)	
<b>Other Costs</b>						
Premises	11	6,269,745	1,963,771	2,077,771	(114,000)	R
Other Costs	12	4,868,405	7,972,950	7,641,950	331,000	G
		11,138,150	9,936,721	9,719,721	217,000	
		28,471,426	28,162,314	28,224,294	(61,980)	
Cash Position		460,611	281,726	(161,209)	(442,935)	
NPD Capital		(936,852)	(897,592)	(897,592)	0	
<b>Cash Position after repaying loan capital</b>		(476,241)	(615,866)	(1,058,801)	(442,935)	
<b>Non RDEL</b>						
Deferred Grant Release		0	300,000	300,000	0	
Depreciation		0	1,000,000	1,000,000	0	
		0	(700,000)	(700,000)	0	
<b>Operational Deficit</b>		460,611	(418,274)	(861,209)	(442,935)	

## INVERNESS COLLEGE

31-Jul-24

## BALANCE SHEET

AS AT:	31-Jul-24	31-Jul-24 £	Draft FS 31-Jul-23 £
<b>FIXED ASSETS</b>			
Tangible Assets		56,176,700	56,176,702
Leased Assets		54,000	54,000
		<u>56,230,700</u>	<u>56,230,702</u>
<b>CURRENT ASSETS</b>			
Stock		47,794	47,794
Debtors		2,204,324	2,802,350
Assets Held for Sale		0	2,300,000
Cash at Bank and in Hand		8,619,268	6,774,702
		<u>10,871,386</u>	<u>11,924,845</u>
<b>CREDITORS</b>			
Amounts falling due within One Year		<u>(4,550,622)</u>	<u>(7,181,559)</u>
NET CURRENT ASSETS		<u>6,320,764</u>	<u>4,743,286</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>62,551,465</u>	<u>60,973,988</u>
<b>CREDITORS</b>			
Amounts falling due after more than One Year		<u>(43,273,440)</u>	<u>(42,320,238)</u>
<b>PROVISION FOR LIABILITIES AND CHARGES</b>			
Defined Benefit Obligations		4,890,000	6,425,000
Enhanced Pensions		<u>(1,624,727)</u>	<u>(1,770,142)</u>
NET ASSETS INCLUDING PENSION LIABILITY		<u>22,543,298</u>	<u>23,308,608</u>
<b>RESERVES</b>			
Revaluation Reserve		12,506,641	12,506,641
Income and Expenditure Account including Pension Liability		10,036,657	10,801,966
Total Reserves		<u>22,543,298</u>	<u>23,308,607</u>

(1)

**INVERNESS COLLEGE**  
**PERIOD ENDED 31-Jul-24**  
**INCOME AND EXPENDITURE ACCOUNT**

	Note	Actual 31-Jul-24 £	Budget 31-Jul-24 £	Estimated Outturn 31-Jul-24 £	Variance from Budget £	Within College Control £	Outwith College Control £	Note
<b>Income</b>								
Scottish Funding Council FE Grants	1	9,874,288	9,885,000	<b>9,874,425</b>	(10,575)	(10,575)	(10,575)	1
UHI	2	6,170,055	6,010,788	<b>5,755,616</b>	(255,172)	(255,172)	(255,172)	2
Tuition Fees	3	2,812,473	2,877,127	<b>2,812,097</b>	(65,030)	(65,030)	(65,030)	3
Other Grants - Research	4	1,310,506	1,424,254	<b>1,068,254</b>	(356,000)	(356,000)		4
Refectory and Training Restaurant	5	631,044	653,700	<b>631,700</b>	(22,000)	(22,000)		5
SDS	6	1,665,215	1,731,307	<b>1,665,307</b>	(66,000)	(66,000)	(66,000)	6
Commercial	7	467,067	442,500	<b>467,500</b>	25,000	25,000		7
Miscellaneous	8	944,253	515,480	<b>884,302</b>	368,822	368,822		8
Unitary Charge	9	5,057,136	4,903,884	<b>4,903,884</b>	0	0		9
		<u>28,932,037</u>	<u>28,444,040</u>	<u><b>28,063,085</b></u>	<u>(380,955)</u>	<u>(380,955)</u>		
<b>Staff Costs</b>	10	17,333,276	18,225,593	<b>18,504,573</b>	(278,980)	(278,980)	(278,980)	10
<b>Other Costs</b>				0				
Premises	11	6,269,745	1,963,771	<b>2,077,771</b>	(114,000)	(114,000)	(114,000)	11
Other Costs	12	4,868,405	7,972,950	<b>7,641,950</b>	331,000	331,000	331,000	12
		<u>11,138,150</u>	<u>9,936,721</u>	<u>9,719,721</u>	<u>217,000</u>			
		<u>28,471,426</u>	<u>28,162,314</u>	<u>28,224,294</u>	<u>(61,980)</u>			
Cash Position		460,611	281,726	(161,209)	(442,935)			
NPD Capital		(936,852)	(897,592)	<b>(897,592)</b>	0			
<b>Cash Position after repaying loan capital</b>		<u>(476,241)</u>	<u>(615,866)</u>	<u>(1,058,801)</u>	<u>(442,935)</u>			
<b>Non RDEL</b>								
Deferred Grant Release		0	300,000	<b>300,000</b>	0			
Depreciation		0	1,000,000	<b>1,000,000</b>	0			
		<u>0</u>	<u>(700,000)</u>	<u>(700,000)</u>	<u>0</u>			
<b>Operational Deficit</b>		<u>460,611</u>	<u>(418,274)</u>	<u>(861,209)</u>	<u>(442,935)</u>			

Notes

- 1 Scottish Funding Council FE Grants - level of FE student activity within our control, value of grant outwith our control.
- 2 UHI HE grants - level of HE student activity within our control, value of grant outwith our control.
- 3 Tuition Fees - level of student activity within our control, amount of FE & HE full-time fees outwith our control, set by SFC
- 4 Other Grants - Research - within our control
- 5 Refectory and Training Restaurant - within our control
- 6 SDS - number of places on contracts outwith our control, but recruiting to the contracts awarded within our control.
- 7 Commercial - within our control
- 8 Miscellaneous income - within our control
- 9 Unitary Charge - outwith our control, set by SFC
- 10 Staff costs - number of staff in the college within our control, NB cost of ling increases and employer pension contributions outwith our control.
- 11 Premises - energy prices outwith our control, although working to reduce energy use at all college sites
- 12 Other operating costs - mix of costs both within and outwith our control.

<b>Subject/Title:</b>	Summary of Financial Statements for 2022/23
<b>Author:</b>	Niall McArthur – Director of Finance & Estates
<b>Meeting:</b>	Finance and General Purposes Committee
<b>Meeting Date:</b>	12 September 2024
<b>Date Paper prepared:</b>	5 September 2024
<b>Brief Summary of the paper:</b>	To present to committee a summary of the final audited financial statements for the year ended 31 July 2023.
<b>Action requested:</b> [Approval, recommendation, discussion, noting]	Noting

<b>Link to Strategy:</b> Please highlight how the paper links to, or assists with:: <ul style="list-style-type: none"> <li><input type="checkbox"/> compliance</li> <li><input type="checkbox"/> partnership services</li> <li><input type="checkbox"/> risk management</li> <li><input type="checkbox"/> strategic plan</li> <li><input type="checkbox"/> new opportunity/change</li> </ul>	
<b>Resource implications:</b>	Yes – monitoring of Financial Resources <b>If yes, please specify:</b>

<b>Risk implications:</b>	Yes <b>If yes, please specify:</b> Financial Operational
<b>Equality and Diversity implications:</b>	N/A
<b>Student Experience Impact:</b>	None
<b>Consultation:</b> [staff, students, UHI & Partners, External] and provide detail	None
<b>Status –</b> [Confidential/Non confidential]	Non-Confidential
<b>Freedom of Information</b> Can this paper be included in “open” business* [Yes/No]	Yes
*If a paper should <b>not</b> be included within “open” business, please highlight below the reason.	
Its disclosure would substantially prejudice a programme of research (S27)	Its disclosure would substantially prejudice the effective conduct of public affairs (S30)
Its disclosure would substantially prejudice the commercial interests of any person or organisation (s33)	Its disclosure would constitute a breach of confident actionable in court (s36)
Its disclosure would constitute a breach of the Data Protection Act (s38)	Other (Please give further details)

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)

## Recommendation

That members note the year-end financial position of the College for the year ended 31 July 2023.

## Purpose of report

To present a summary of the annual audited financial statements for year ended 31 July 23. A copy of the Statement of Comprehensive Income & Expenditure (SOCIE), the Balance Sheet and Adjusted Operating Position statement are attached to the report.

## Income & Expenditure Account Summary

The final operating deficit for 2022/23 was £1.796 million, compared to a deficit of £1.474 million in the previous year, and the forecast reported in the final management accounts for 22/23 of £1.634 million. Total income for the year was £30.829 million (2021/22 - £28.959 million), with expenditure of £32.625 million (2021/22 - £30.433 million). The main reason for the increase in total income of £1.869 million was the increase in other income of £1.374 million, which was due to one-off additional ESF funding from UHI Executive Office. Total staff costs for the year were £20.211 million, compared to £18.648 million the previous year, an increase of £1.563 million. The main reasons for the increase in staff costs was the estimated pay increase of £2,000 per staff fte for both academic and support staff, as well as an increase in the average staff fte over the year of 19 fte and increases in pension and national insurance costs. An additional impairment charge was made at the year-end in relation to the asset held for sale (Longman Site) of £1.060 million, which takes the value of the asset down to the sale value of £1.240 million.

The overall total comprehensive income for the year was £5.957 million, compared to £21.479 million the previous year, which was due to a fall in the actuarial gain in respect of pensions from £16.696 million to £7.754 million.

The underlying position for the college, called the adjusted operating position (AOP) by SFC for 2022/23, was a deficit of £390,023 compared to a surplus of £427,948 in the previous year. The calculation for this is shown in the appendix, and is the adjusted surplus/ deficit figure in the accounts, after stripping out the pension, depreciation and deferred grant adjustments, which are non-cash items.

## Balance Sheet Summary

The total net asset position at the end of 2022/23 was £21.499 million, compared to £15.541 million in the previous year, an increase of £5.958 million. The main reason for the increase is due to the movement in the colleges share of the LGPS allocation, which has moved from a net liability of £2.038 million, to a net asset of £4.890 million. Within the Hyman Robertsons report on the college LGPS, the actuary advised the reason for the significant positive movement in the pensions figure:

*As at the accounting date, the net discount rate (discount rate net of CPI inflation) has significantly increased compared to the previous year's accounting date, leading to a large gain on the employer's balance sheet as at the accounting date. The key reason for the higher discount rate is the significantly higher observed UK corporate bond yields at 31 July 2023, compared to 31 July 2022.*

In terms of the other key balance sheet items, these are noted below:

- Fixed assets, which include the main campus building and the school of forestry buildings, plus college equipment, reduced from £56.971 million to £56.230 million, a reduction of £0.741 million, which is due to the depreciation charge for the year of £1.188 million, offset by additions made during the year of £0.448 million.
- Current assets reduced from £12.344 million to £10.864 million, a reduction of £1.480 million and was mainly due to a reduction in the value of the asset held for sale, which was the Longman site. The site has now been sold and this will be reflected in the 2023/24 financial statements.
- Creditors due within 1 year have increased by £1.694 million, from £6.727 million in 2021/22 to £8.421 million in 2022/23. The main reason for this is a reallocation of the deferred grant in relation to the Longman site from creditors due greater than 1 year, to creditors due in less than 1 year.
- Creditors due after 1 year have decreased by £3.087 million, from £43.382 million to £40.295 million. The main reasons for the decrease are the reallocation of the deferred grant for the Longman site and the reduction in the NPD creditor.
- Provisions have decreased from a liability of £3.665 million in 2021/22 to a net asset of £3.120 million, a positive movement of £6.785 million. This is due to the movement of the LGPS figure, which has gone from a liability of £2.038 million, to an asset of £4.890 million. Within the provisions figure, there is also a long-term pension provision of £1.770 million, which relates to college staff who left the college in the late 1990's and received enhanced pensions.

### **Year-end Cash Balances & Net Current Assets**

Overall, the college end of year bank balance decreased, from £7.496 million to £6.775 million, a decrease of £0.721 million. The main reason for this was the operational deficit for 2022/23. The college also reported net current assets of £2.443 million, which reflects the positive liquidity for the college at the present time.

### **Student Support Funding Summary**

Overall, the college received £2.783 million of student support funds for 2022/23, with total expenditure being £2.385 million, an underspend of £0.445 million. This has been recovered by the SFC during the 2023/24 academic year.



**Inverness College**  
**Statement of Comprehensive Income & Expenditure (SOCIE)**  
**Year Ended 31 July 2023**

	Notes	2023 £	2022 £
<b>Income</b>			
Funding Council Grants	2	22,372,733	21,560,367
Tuition fees and education contracts	3	4,848,324	5,196,110
Other income	4	3,575,507	2,200,930
Investment income	5	32,166	1,874
Total Income		<u>30,828,730</u>	<u>28,959,281</u>
<b>Expenditure</b>			
Staff costs	6	20,211,528	18,648,509
Other operating expenses	8	7,155,393	7,156,534
Depreciation	11	1,188,695	1,472,612
Impairment	13	1,060,000	0
Interest payable	9	3,009,495	3,155,555
Total Expenditure		<u>32,625,111</u>	<u>30,433,210</u>
<b>Deficit before other gains and losses</b>		<b>(1,796,381)</b>	<b>(1,473,929)</b>
Gain/(Loss) on disposal of fixed assets		0	0
Deficit before tax		<u>(1,796,381)</u>	<u>(1,473,929)</u>
Corporation tax		0	0
Deficit for the year		<u>(1,796,381)</u>	<u>(1,473,929)</u>
Actuarial gain in respect of pensions	22	7,754,000	16,696,000
Unrealised Surplus on revaluation of land and buildings		0	6,257,857
<b>Total Comprehensive Income for the year</b>		<b><u>5,957,619</u></b>	<b><u>21,479,928</u></b>
Represented by:			
Unrestricted funds		5,957,619	15,222,071
Revaluation reserve		0	6,257,857
<b>Total Comprehensive Income for the year</b>		<b><u>5,957,619</u></b>	<b><u>21,479,928</u></b>

**Inverness College**  
**Balance Sheet**  
**Year Ended 31 July 2023**

	Notes	2023 £	2022 £
Non-current assets			
Tangible fixed assets	11	56,230,702	56,971,004
Current assets			
Stocks	12	47,794	52,555
Assets held for sale	13	1,240,000	2,300,000
Debtors	14	2,802,350	2,495,679
Cash and cash equivalents		6,774,702	7,496,473
		10,864,846	12,344,707
Creditors: amounts falling due within one year	15	(8,421,560)	(6,727,191)
Net current assets		2,443,286	5,617,516
Total assets less current liabilities		58,673,988	62,588,520
Creditors: amounts falling due after one year	16	(40,294,717)	(43,382,112)
Provisions	17	3,119,858	(3,664,899)
Total net assets		<u>21,499,128</u>	<u>15,541,509</u>
Represented by:			
Property revaluation reserves		12,506,641	12,506,641
Unrestricted reserves		8,992,487	3,034,868
		<u>21,499,128</u>	<u>15,541,509</u>

The accounts were approved by the Board of Management on \_\_\_\_\_ and  
signed on its behalf by:

Professor Christopher O'Neil  
Principal and Chief Executive Officer

Dee Bird  
Interim Chair of Board

**Inverness College**  
**Adjusted Operating Position (AOP)**  
**Year Ended 31 July 2023**

	<b>2022/23</b>	<b>2021/22</b>
	<b>£</b>	<b>£</b>
Surplus/(deficit) before other gains and losses	(1,796,381)	(1,473,929)
<b>Add back:</b>		
Depreciation (net of deffered captial grant release) on both government funded and privately funded assets including NPD assets* (Note 13)	59,045	590,888
Exceptional non restructuring costs - Impairment	1,060,000	-
Pension adjustment - Net Service Cost (Note 6)	742,000	2,173,000
Pension adjustment - Net Interest Cost (Note 9)	84,000	277,000
Pension adjustment - Early retirement provision (Note 17)	278,700	(318,011)
<b>Deduct:</b>		
NPD income applied to reduce NPD balance sheet debt	(817,387)	(821,000)
<b>Adjusted operating position (AOP) - (deficit)/ surplus</b>	<b>(390,023)</b>	<b>427,948</b>

<b>Subject/Title:</b>	Student Activity 2023/24 and Recruitment 2024/25
<b>Author:</b> [Name and Job title]	Jane Maclellan, Information Systems Manager
<b>Meeting:</b>	Finance and General Purposes
<b>Meeting Date:</b>	12 September 2024
<b>Date Paper prepared:</b>	04 September 2024
<b>Brief Summary of the paper:</b>	To provide the committee with the final student enrolments and withdrawals for 2023/24, and the status of current recruitment for 2024/25.
<b>Action requested:</b> [Approval, recommendation, discussion, noting]	Discussion
<b>Link to Strategy:</b> Please highlight how the paper links to, or assists with: a) compliance • partnership services • risk management • strategic plan • new opportunity/change	This paper links to the strategic plan, particularly in relation to the student experience and the curriculum.
<b>Resource implications:</b>	Yes
<b>Risk implications:</b>	Yes – quality of the student experience
<b>Equality and Diversity implications:</b>	Yes – equity of the student experience
<b>Consultation:</b> [staff, students, UHI & Partners, External] and provide detail	n/a

## ITEM 09.

<b>Status</b> – [Confidential/Non confidential]	<b>Non-confidential</b>		
<b>Freedom of Information</b> Can this paper be included in “open” business* [Yes/No]	<b>Yes</b>		
*If a paper should <b>not</b> be included within “open” business, please highlight below the reason.			
Its disclosure would substantially prejudice a programme of research (S27)		Its disclosure would substantially prejudice the effective conduct of public affairs (S30)	
Its disclosure would substantially prejudice the commercial interests of any person or organisation (S33)		Its disclosure would constitute a breach of confidence actionable in court (S36)	
Its disclosure would constitute a breach of the Data Protection Act (S38)		Other (please give further details)	
For how long must the paper be withheld? (express either as the time which needs to pass or a condition which needs to be met.)			

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)

**Student Activity 2022/23 and Recruitment 2023/24****Executive summary**

The report provides a summary of the final student enrolments and withdrawals for 2023/24, and the status of current recruitment for 2024/25.

The original 2023/24 FE Credits target for UHI Inverness of 26,657 was rebased to 26,442. The credit audits are currently underway, and expect to outturn at approximately 26,532 which is just over 100% of target.

The UHI Academic Partnership target for HE undergraduate students was not achieved. The 2023/24 target for Undergraduate students who are fundable was 1,418 fte, our delivery is estimated at 1,259 fte which is 88.8% of target.

Early withdrawals decreased for FE and HE full time students in 2023/24, but increased for part time students. Further withdrawals reduced for both FE and HE Full time and Part Time students.

Enrolment for 2024/25 is ongoing for FE and HE students. The majority of full time students have enrolled, and is ongoing for part time students and apprentices.

**Main body of information****Student enrolments against targets 2023/24****FE**

The core credit target for 2023/24 was rebased from 26,657 to 26,442. The credits audit is currently underway.

The target for 2024/25 is also 26,442, currently we have achieved 63.9% of target, on 4<sup>th</sup> September 2023, we had generated 15,847 credits which was 58.1% of target.

Credit Target			Actual Credits		% of Target	
	Original	Rebased			Original	Rebased
2020/21	29,439		01/07/2021	23,687	80.5%	
2021/22	30,677	32,009	01/07/2022	28,653	93.4%	89.5%
2022/23	29,882	29,620	31/08/2023	30,567	102.2%	103.2%
2023/24	26,657	26,442	04/09/2024	26,532	99.5%	100.3%
2024/25	26,442		04/09/2024	16,839	63.7%	

**HE**

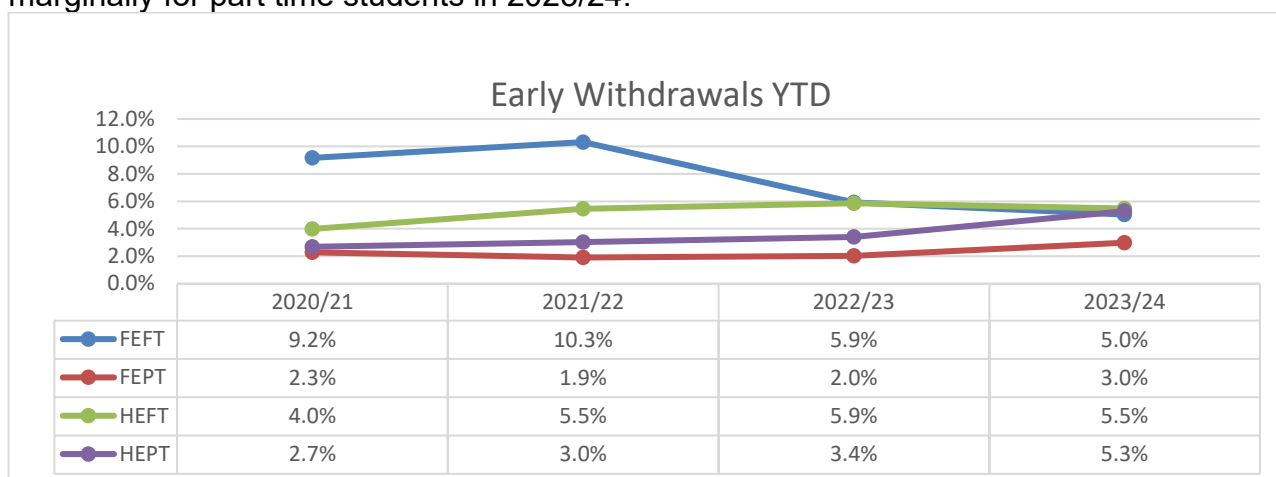
The 2023/24 APC target for Undergraduate students who are fundable was 1,418 fte.

The table below shows the estimated HE FTE based on current enrolments, and against targets set by APC. The estimates are made using information from the student record system and historical values of FTE based on mode of attendance.

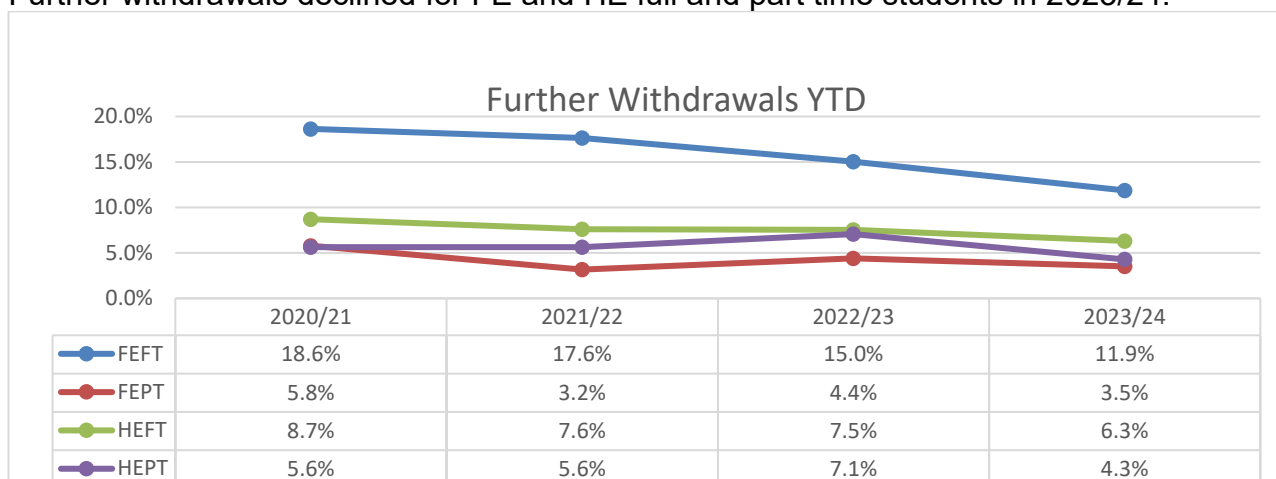
APC FTE Target Fundable Students		Estimated FTE		% of Target
2020/21	1,491	20/08/2021	1,598	107.2%
2021/22	1,556	31/08/2022	1,370	88.0%
2022/23	1,441	31/08/2023	1,290	89.5%
2023/24	1,321	02/09/2024	1,259	95.3%
2023/24 revised	1,418	02/09/2024	1,259	88.8%

## Withdrawals

Early withdrawals decreased for FE and HE full time students, however they increased marginally for part time students in 2023/24.



Further withdrawals declined for FE and HE full and part time students in 2023/24.



## Recruitment 2024/25 as at 4th September 2024

Enrolment is ongoing for FE and HE students. The majority of full time students have enrolled, Modern Apprentices and other part time students will continue to enrol throughout the academic year.

## ITEM 09.

2024/25 as at 04/09/2024									
	Current	Did Not Start	Normal completion	Suspended	Transferred	Withdrawn	Completed online enrolment	Provisional	Grand Total
FEFT	875	153	6		1		10	219	1264
FEPT	879	98	11		3	1	49	659	1700
HEFT	1111	61		11	10		10	185	1388
HEPT	582	32		17	5		5	244	885
<b>Total</b>	<b>3447</b>	<b>344</b>	<b>17</b>	<b>28</b>	<b>19</b>	<b>1</b>	<b>74</b>	<b>1307</b>	<b>5237</b>

2023/24 as at 04/09/2023									
	Current	Did Not Start	Normal Completion	Suspended	Transferred	Withdrawn	Completed online enrolment	Provisional	Grand Total
FEFT	687	189			2		8	78	964
FEPT	845	158				3	48	779	1833
HEFT	1041	84		7	4		17	171	1324
HEPT	607	47		12	5		29	248	948
Total	3180	478		19	11	3	102	1276	5069

There are currently 1,754 FE students compared to 1,532 in 2023/24.

There are currently 1,693 HE students compared to 1,648 in 2023/24.

The table below shows the credits generated at the start of September for the last 4 years.

FE Credits	01/09/2021		01/09/2022		04/09/2023		04/09/2024	
	HEADS	CREDITS	HEADS	CREDITS	HEADS	CREDITS	HEADS	CREDITS
<b>FE Full Time</b>	708	12,456	840	13,601	687	10,490	875	13,322
<b>FE Part Time</b>	625	2449	779	4,387	845	4,996	879	3,518
<b>Grand Total</b>	<b>1,333</b>	<b>14,905</b>	<b>1,619</b>	<b>17,988</b>	<b>1,532</b>	<b>15,486</b>	<b>1,754</b>	<b>16,839</b>

The table below shows first year full time HE students by level of qualification.

QUALIFICATION	2020/21	2021/22	2022/23	04/09/2023	04/09/2024	Difference to 2023/24
Bachelor of Arts	1	3	10	16	37	21
Bachelor of Arts (Honours)	108	112	88	77	70	-7
Bachelor of Engineering (Honours)		3	4	7	14	7
Bachelor of Science (health prof)	13	12	12	11	10	-1
Bachelor of Science (Honours)	33	49	55	34	36	2
Higher National Certificate	494	349	378	358	364	6
Higher National Diploma	73	54	42	18	5	-13
	<b>722</b>	<b>582</b>	<b>589</b>	<b>521</b>	<b>536</b>	<b>15</b>

Jane MacLennan  
Information Systems Manager



Subject/Title:	KPI Report
Meeting and date:	Board of Management / FGP September 24
Author:	Martin Whyte, Operations and Commercial Manager
Decision, Discussion or Noting:	Noting / Discussion
Link to Strategic Plan:	<b>Links to all strategic objectives</b>
Cost implications:	<del>Yes</del> / No <i>(delete as applicable)</i> <b>If yes, please specify:</b>
Risk assessment:	<del>Yes</del> / No <i>(delete as applicable)</i> <b>If yes, please specify:</b> Financial: Operational: Organisational:

### Recommendation(s)

Note the performance measures for the year end.

The finance measures (serials 52-56, & 58) will be completed early/mid-September after year-end adjusting entries have been processed. Details will be provided in the Director of Finance and Estates report to F&GP committee.

Also, year end student success outcomes (serials 27-31) are slightly delayed as resit exam boards are still being convened. Year end student outcomes will be provided early/mid-September when the boards have concluded, and result verified. Details will be provided in the MIS Manager's report to committee.

### Main body of information

The KPI RAG report for period 12, July 24, accompanies the paper and presents performance for each measure against the annual target.

Fifty-five performance measures are reported.

Twenty-four measures are satisfactory (Green).

Twelve are unsatisfactory (Red).

Five marginal (Amber).

Two measures (GA and Senior Phase enrolments) have been benchmarked this year and have no target.

Ten measures (finance and student outcomes) do not yet have end of year data.

Two measures, long/short term absence rates, are not in scope as they are a subset of the overall absence rate.

Commentary is provided below for a selection of the measures contained within the report. Measures that have been captured and reported in previous summaries and have not been revised since that report will not be commented upon here.

### **Comments on specific performance measures**

#### **HE Active Applications.** Serial 1. RAG RED 88.9%.

HE active applications did not reach the target profiled. There has been an increase since the end of July, through Clearing and GA applications. MIS Manager report will reflect the up-to-date position.

#### **FE Active Applications.** Serial 2. RAG GREEN 99.2%.

FE applications fell 19 applications short of target as at the end of July. The data does not capture most of the apprenticeship recruitment as these students tend not to apply. There have been further FE applications in August. MIS Manager report will reflect the up-to-date position.

#### **FE Credits.** Serial 3. RAG GREEN 99.6%.

We have achieved our annual SFC Credits threshold. We ended the year 114 FE Credits behind our internal target. The FES Audit is due to take place where any final adjustments will be made, if applicable.

#### **Apprenticeship starts (contract year).** Serial 4. RAG AMBER 98.6%.

30 new starts were added in June and July. The position as at the end of July was 4 apprentices short of plan. August apprentice recruitment activity has been outstanding with the Business Solutions team, admissions, and curriculum teams ensuring that we met both our target and the wider UHI target of new contract starts imposed by SDS.

#### **Apprenticeship Income (excluding T&A).** Serial 6. RAG RED 90.7%.

£125k below target at year end. Delays in resulting and award completion has had an impact on claims and steps have been taken to address this issue. Business Solutions and curriculum are working together with oversight from the TELs and EMT to recover the shortfall.

#### **Commercial Short Course Income.** Serial 8. RAG RED 93.5%.

Commercial income fell £8.5k short of plan. Staff availability has impacted our ability to provide electrical and gas/oil courses which continued to the end of term.

#### **HE APC FTE.** Serial 11. RAG RED 88.8%.

Finished the year at 1,259.6 FTE against target 1,418. Full data available from the MIS Manager's report.

#### **Research Income Less Expenditure.** Serial 12. RAG RED 93.4%.

The net position at year end is £140k deficit, within the £150k objective. The measure remains red, as it is known that the research dept will have to defer some income to 24-25 which will increase the deficit. Outturn will be known once all adjusting entries have been processed.

#### **Modern Apprenticeship Successful Outcomes (contract year).** Serial 32. RAG AMBER 97.2%.

Overall performance for the year fell below the benchmark of 65%. Commentary for serial 6 applies to this measure.

**Sickness Levels.** Serial 40. RAG RED 118.2%.

2.98% against plan of 2.52%. The Head of HR's report will provide detail on the specific number of working days lost. It is worth noting that the percentage has reduced in each reporting quarter, with the absence rate being 2.4% in the last quarter.

**% of Staff Completed Mandatory IHASCO Trg.** Serial 49. RAG GREEN 99.1%.

Measure is marginally below 100% achievement, which translates as 80% of staff having completed all IHASCO training in the year. HS&S Manager will continue to monitor performance and encourage continued improvement in this measure.

**CO2 Emissions on Utilities.** Serial 60. RAG RED 115.2%.

85 tonnes over objective at year end. Disappointing that the excess increased in the final period. A substantial amount of construction, maintenance and similar activities have been underway through the summer repurposing rooms to create flexible and updated teaching spaces. This will have contributed to the excess emissions. HS&S Manager and Estates will continue to work with GTFM and colleagues to reduce output.

**% Waste sent to landfill.** Serial 61. RAG GREEN 70.5%.

Objective of no more than 15% of total waste is sent to landfill. This measure has been revised in year as our waste partner now disposes of landfill via waste to energy. The overall percentage disposed of rather than recycled is 10.6% which is a marked improvement on last year and on target. The measure will be revised for 24-25 to reflect the new method of disposal.

The information is accessible to all department managers and board members via SharePoint at: IN Management Information > Documents > KPI Matrix

## Performance Measures

AY: 2023-2024

Performance Measures- EMT &amp; Board of Management

Measures - Linked to Profile and Actual sheets

AY Start	01 Aug 2023
Today	28 Aug 2024
Period Month	July
No.Periods YTD	12

Key:	B = Not yet in scope
	R = Not Achieved
	A = Partially Achieved
	G = Achieved

Measure		Measurement Frequency	2022/23 Actual	2023/24 Target	YTD Profile	YTD ACTUAL	YTD ACTUAL v PROFILE RAG
Serial	Measure 1: CORE FE/HE OUTPUTS						
1	HE Active applications (next AY - Measure from Dec - Jul)	Monthly	1334	1,500.0	1,500	1,333	88.9%
2	FE Active applications (next AY - Measure from Dec - Jul)	Monthly	2049	2,300.0	2300	2,281	99.2%
3	FE Credits	Monthly	30569	26,657	26,657	26,543	99.6%
4	Apprenticeship starts (contract year)	Monthly	385	280	280	276	98.6%
5	Apprentices in Learning (average in year)	Monthly	651	650	638	664	102.1%
6	Apprenticeship Income (excluding T&A)	Monthly	£1,248,012	£1,348,050	£1,348,050	£1,222,884	90.7%
7	FWDF Income	2 monthly	£294,495	£150,000	£150,000	£317,153	211.4%
8	Commercial Short Course Income	Monthly	£137,191	£129,996	£129,996	£121,486	93.5%
9	HE enrolments (head count)	Monthly	1,986	1,986	1,986	1,904	95.9%
10	HE enrolments (year one starts)	Annual	523	670	670	697	104.0%
11	HE APC FTE (from Oct)	Monthly	1,251.8	1,418.0	1,418.0	1,259.6	88.8%
12	Research - Income less expenditure	Biannual	£195,223	£150,000	£150,000	£140,043	-93.4%
13	GA Programmes - New Enrolments (confirm monitoring period) (23/24 benchmark yr)	Review				92.0	
14	Senior Phase Enrolments (23/24 benchmark yr)	Review				667.0	
MEASURE 2: SATISFACTION MEASURES							
18	Early Satisfaction & Engagement Survey (ESES)	Annual	95.3%	96%	96.0%	96.0%	100.0%
19	National Student Survey (NSS)	Annual	80.0%	83%	83.0%	82.0%	98.8%
20	Student Satisfaction & Engagement Survey (SSES)	Annual	93.0%	95%	95.0%	92.0%	96.8%
22	Post Graduate Taught Experience Survey (PTES) (previous AY)	Annual	96.0%	97%	97.0%	100.0%	103.1%
23	ESES % Response Rate	Annual		55%	55.0%	63.3%	115.1%
24	SSES % Response Rate	Annual		55%	55.0%	57.0%	103.6%
Measure 3: RETENTION, SUCCESS & PROGRESSION							
25	College Retention Overall for FE	Annual	90.0%	90%	90%	91%	100.7%
26	College Retention Overall for HE	Annual	90.0%	90%	90%	89%	99.2%
27	FE FT Successful Outcomes	Annual	70.0%	70%	70%		
28	FE PT Successful Outcomes	Annual	86.0%	90%	90%		
29	Partial Success FE	Annual	4.0%	4%	4%		
30	HE FT Successful Outcomes	Annual	80.0%	80%	80%		
31	HE PT Successful Outcomes	Annual	75.0%	75%	75%		
32	Modern Apprenticeship successful outcomes (contract year)	Monthly	61.0%	65%	65.0%	63.2%	97.2%
33	FE progression to further FE study	Annual	33.8%	35%	35.0%	37.1%	106.0%
34	FE progression to HE - actual	Annual	10.0%	35%	35.0%	30.0%	85.7%
35	Mental Health Support appt (non-emergency) offered for within 3 - 10 working days	Monthly	83.0%	91.7%	91.7%	99%	108.5%
36	Learning Support appt offered for within 6 - 20 working days	Monthly	77.0%	91.7%	91.7%	96%	105.1%
Measure 4: HR							
40	Sickness levels	Quarterly	2.80%	2.52%	2.52%	2.98%	118.2%
41	- Short Term	Quarterly				1.51%	
42	- Long Term	Quarterly				1.47%	
43	% Staff turnover	Quarterly	2.37%	3.35%	3.35%	2.38%	70.8%
44	PRD completion - full or review	Quarterly	84%	100%	75%	57%	75.3%
45	Student FTE:Academic Staff Ratio	Annual	22.8	24	24.0	21.7	90.4%
46	Lecturer utilisation % (% of deployable hours)	Annual	85.1%	80.0%	80.0%	79.8%	99.8%
47	Number of workplace injuries	Monthly	26	26	26	138	530.77%
48	Number of RIDDOR reportable accidents and illness	Monthly	1			3	
49	% of staff completed mandatory IHASCO (H&S) Trg	Quarterly	86%	80%	80.0%	79.3%	99.1%
Measure 5: FINANCE							
52	Adjusted current ratio	Annual		1.7	1.7		
53	EBITDA as a % of income	Annual		-1.0%	-1.0%		
54	Staff costs as % of income (less NDP/capital allowances)	Annual		78.0%	78.0%		
55	Cash days in hand	Annual		62.0	62.0		
56	Income as a % of Expenditure	Annual		99.0%	99.0%		
57	Curriculum contribution (overall % - estimate)	Annual	41%	40.0%	40.0%	51.0%	127.5%
58	Analysis of aged debtors > 90 days	Quarterly		50.0%	50.0%	8.1%	16.2%
Measure 6: ESTATES & CAMPUS							
59	Room Occupancy - Frequency %	Monthly	19.0%	35.0%	34.6%	35.8%	103.4%
60	CO2 Emissions on Utilities (gross) Tonnes	Monthly	553	553	553	638	115.2%
61	% waste sent to landfill	Quarterly	70.0%	15%	15.0%	10.6%	70.5%
62	Estates reactive task completion rate %	Monthly	96%	95%	95%	94.5%	99.5%
63	GTFM % reactive task completion rate	Monthly	93%	92%	92%	95.1%	103.4%
64	Total % of Capital expenditure budget committed (Aug - March)	Monthly	100%	100%	100%	100.0%	100.0%

### Finance & General Purposes Committee

<b>Subject/Title:</b>	ALF Monies Update
<b>Author:</b>	Niall McArthur, Director of Finance & Estates
<b>Meeting:</b>	Finance & General Purposes Committee
<b>Meeting Date:</b>	12 September 2024
<b>Date Paper prepared:</b>	5 September 2024
<b>Brief Summary of the paper:</b>	To present an update to the committee on how the ALF funding monies are being utilised, as well as an update on the proposed use of the Longman site net sale proceeds.
<b>Action requested:</b> [Approval, recommendation, discussion, noting]	Noting

<b>Link to Strategy:</b> Please highlight how the paper links to, or assists with: <input type="checkbox"/> compliance <input type="checkbox"/> partnership services <input type="checkbox"/> risk management <input type="checkbox"/> strategic plan <input type="checkbox"/> new opportunity/change	Financial Sustainability
<b>Resource implications:</b>	Yes – monitoring of Financial Resources <b>If yes, please specify:</b>

ITEM 11.

<b>Risk implications:</b>	Yes <b>If yes, please specify:</b> Financial Operational		
<b>Equality and Diversity implications:</b>	N/A		
<b>Student Experience Impact:</b>	None		
<b>Consultation:</b> [staff, students, UHI & Partners, External] and provide detail	None		
<b>Status</b> – [Confidential/Non confidential]	Non-Confidential		
<b>Freedom of Information</b> Can this paper be included in “open” business* [Yes/No]	Yes		
*If a paper should <b>not</b> be included within “open” business, please highlight below the reason.			
Its disclosure would substantially prejudice a programme of research (S27)		Its disclosure would substantially prejudice the effective conduct of public affairs (S30)	
Its disclosure would substantially prejudice the commercial interests of any person or organisation (s33)		Its disclosure would constitute a breach of confident actionable in court (s36)	
Its disclosure would constitute a breach of the Data Protection Act (s38)		Other (Please give further details)	

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)

## **Recommendation**

Finance & General Purposes committee members are asked to note the report.

## **Purpose of report**

To present an update to the committee on how the ALF funding monies are being utilised, as well as an update on the proposed use of the Longman site net sale proceeds.

## **ALF Funding Update**

The final drawdown of the college ALF funding included funds to support the college's construction and engineering sector development plan. The total of the funds is £940,000, with £680,000 for construction/ refurbishment costs and £260,000 for equipment.

The project is split into various sections and these are noted below:

- Conversion of staff workroom, G1, into a new technology centre. Construction of new dividing wall to create two workshop areas. Installation of new partition wall to create new PC suite.
- Conversion of 201 staff workroom to a creative workroom. Construction of new divider wall, new flooring, utilities and sink area.
- Conversion of 2 PC suites G38 and G39 to "dirty" workshops. Construction of new dividing wall. Installation of new concrete floor in both rooms. Installation of new machine power ring main.
- Modifications to BMS ventilation system to align with new room layouts.

All the above works are being carried out by GTFM.

At the time of writing the report, work is ongoing on the 4 projects. Originally, the works were expected to be completed by the end of the summer break but the works have been delayed, partly due to planning delays with Highland Council. The college is working through a lessons learned process with the contractor (GTFM).

### **Sustainable Construction Centre**

As the committee is aware, the Longman site was sold in December 2023, with the net proceeds, after college costs, being £750,000. A business case proposal for the use of these funds was sent to SFC in June 2024 and a copy of the business plan is attached to this report.

As the case demonstrates, the new centre would enable the college to address significant skills gaps that exists in the Highlands, at a time when demand for construction in the Highlands is booming; in light of technologies required to support the journey to net zero and the housing shortage across the region.

The college identified funds internally to support the design phase to through planning and bids for this phase have been received, following a procurement process, and a contract has been awarded for this first phase of the project.

The college are requesting SFC's consideration of retaining the balance of funding from the sale of the final remaining portion of land associated with the former Longman Road campus (£750K), in order to fund the build of the centre.

The land for the new build, as shown in the business case, already forms part of our estate and we have engaged with planners and Highlands & Islands Enterprise with regard to the potential change of use, which they have agreed in principle.

As outlined, the ongoing costs of the new centre would be lower than the total costs of a temporary, less suitable, facility that we have been paying to lease elsewhere over the past 4 years to help meet the rising demand for skills in the construction sector.



## Finance & General Purposes Committee

<b>Subject/Title:</b>	Data Protection Report
<b>Author:</b> [Name and Job title]	Suzanne Stewart, Data Controller
<b>Meeting:</b>	Finance & General Purposes Committee
<b>Meeting Date:</b>	
<b>Date Paper prepared:</b>	29 <sup>th</sup> August 2024
<b>Brief Summary of the paper:</b>	Report provides a general update on operational activity in relation to the UK GDPR.
<b>Action requested:</b> [Approval, recommendation, discussion, noting]	For noting

<b>Link to Strategy:</b> Please highlight how the paper links to, or assists with: <input type="checkbox"/> compliance <input type="checkbox"/> partnership services <input type="checkbox"/> risk management <input type="checkbox"/> strategic plan <input type="checkbox"/> new opportunity/change	The content of this paper links to general risk management.
<b>Resource implications:</b>	Yes / No If yes, please specify:
<b>Risk implications:</b>	Yes / No If yes, please specify: Operational: Causes of data breaches Organisational: As above
<b>Equality and Diversity implications:</b>	Yes/No If yes, please specify:
<b>Student Experience Impact:</b>	Yes/No If yes, please specify: Data breaches often impact on students if their data has been shared inappropriately.

<b>Consultation:</b> [staff, students, UHI & Partners, External] and provide detail			
<b>Status –</b> [Confidential/Non confidential]			
<b>Freedom of Information</b> Can this paper be included in “open” business* [Yes/No]			
*If a paper should <b>not</b> be included within “open” business, please highlight below the reason.			
Its disclosure would substantially prejudice a programme of research (S27)		Its disclosure would substantially prejudice the effective conduct of public affairs (S30)	
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### **Purpose of report**

To raise awareness of current activities that have legal implications under data protection law and/or or carry a potential risk (data security, information risk, financial or reputational risk). Also, to demonstrate the breadth of impact of data protection legislation across the organisation.

### **Procurement**

#### **HR & Payroll System**

The decision was recently made to withdraw from the UHI multi-partner procurement exercise for an integrated and payroll and HR system. The cost was the main factor but there were other concerns about the project.

As Cipher (HR System) and Cintra (payroll system) were procured many years ago, they were not subject to current procurement rules/regulations. The cumulative spend over a 4-year period puts both systems into the “non-compliant” category for procurement.

A longer term solution requires consideration as extending contracts annually is costly.

#### **Procurement- General**

Procurement of goods and services where a GDPR assessment is required continues to be a challenge in some areas. Staff don’t appear to understand the checks that need to be undertaken or the reasons why. Consideration is being given to offering some information sessions in conjunction with APUC colleagues.

#### **Campus Premises**

Recent adaptation to campus premises has highlighted the need to consider the location of CCTV cameras already in place, at the point plans are being discussed. Data protection law encourages a “privacy by design” approach to consider privacy risks and agree mitigation action at the earliest opportunity.

**Subject Access Request (SAR)**

A recent SAR identified UHI Inverness to be unknowingly holding the confidential data of a third-party organisation on the server. A staff member is a Board member of the organisation and had been using their UHI network account for correspondence in that regard.

This resulted in the confidential board papers of the third-party organisation being stored on our network. This was data for which UHI Inverness were not the Data Controller.

Legal advice had to be sought regarding the situation. The cost was approximately £800.00.

The data was not released to the individual but was returned to the third-party organisation. The data was then wiped from our network.

The situation took up a considerable amount of time to process as it involved the review of 1256 communications. Only 320 of them were within scope of the information request.

**Action Taken Following Case Closure**

- The data protection guidance for staff was updated to enhance the section regarding use of staff corporate email accounts.
- The Email Usage and Retention Policy was also enhanced to make it clear that staff should not use their corporate email address for the business of a third party organisation/club/society etc.
- The staff member was made aware of the situation and the impact the information request had organisationally, both in terms of time and cost.
- It was noted and brought to the attention of the Governance Officer that some UHI Inverness board members were using email addresses in addition their UHI account to received board papers. This practice has since been stopped.
- Board members are asked to delete any emails from the Governance Officer that may have been sent to either their personal email account or their work email address.

<b>Subject/Title:</b>	Operations & External Relations Report
<b>Author:</b> [Name and Job title]	Georgina Parker Vice Principal – Curriculum, Operations & External Relations with input from Business Solutions Manager and Commercial Manager
<b>Meeting:</b>	Finance and General Purposes Committee
<b>Meeting Date:</b>	September 2024
<b>Date Paper prepared:</b>	6 September 2024
<b>Brief Summary of thepaper:</b>	<p>An extract of the KPI framework relating to OER 2023/24 year-end performance is provided.</p> <p>We are ahead of the start profile for our increased MA contract for 2024/2025</p> <p>Graduate apprenticeships continue to show strong growth.</p> <p>Commercial training has had to be curtailed for 2024 due to failure to recruit to plumbing and electrical lecturing roles.</p>
<b>Action requested:</b> [Approval, recommendation, discussion, noting]	Discussion.
<b>Link to Strategy:</b> Please highlight how the paper links to, or assists with:: <input type="checkbox"/> compliance <input type="checkbox"/> partnership services <input type="checkbox"/> risk management <input type="checkbox"/> strategic plan <input type="checkbox"/> new opportunity/change	
<b>Resource implications:</b>	Yes / No If yes, please specify:
<b>Risk implications:</b>	Yes / No If yes, please specify: Operational: Organisational:
<b>Equality and Diversity implications:</b>	Yes/No If yes, please specify:
<b>Student Experience Impact:</b>	Yes/No If yes, please specify:

**ITEM 14.**

<b>Consultation:</b> [staff, students, UHI & Partners, External] and provide detail			
<b>Status –</b> [Confidential/Non confidential]			
<b>Freedom of Information</b> Can this paper be included in “open” business* [Yes/No]			
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## 1. Operations & External Relations KPIs

Figure 1 below shows the KPI report to 31 July 2024 for Operations and External Relations, with the exception of HR measures which are reported to the HR committee. The finance KPIs are still pending, subject to year-end review.

Figure 1: KPI Extract to 2023/24 Year End

Performance Measures		AY Start	01 Aug 2023	Key:	B = Not yet in scope		
AY: 2023-2024		Today	01 Aug 2024		R = Not Achieved		
Performance Measures- EMT & Board of Management		Period Month	July		A = Partially Achieved		
Measures - Linked to Profile and Actual sheets		No.Periods YTD	12		G = Achieved		
Measure		Measurement Frequency	2022/23 Actual	2023/24 Target	YTD Profile	YTD ACTUAL	YTD ACTUAL v PROFILE RAG
Measure 1: CORE FE/HE OUTPUTS							
1	HE Active applications (next AY - Measure from Dec - Jul)	Monthly	1334	1,500.0	1,500	1,333	88.9%
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6	Apprenticeship Income (excluding T&A)	Monthly	£1,248,012	£1,348,050	£1,348,050	£1,222,884	90.7%
7	FWDF Income	2 monthly	£294,495	£150,000	£150,000	£317,153	211.4%
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13	GA Programmes - New Enrolments (confirm monitoring period) (23/24 benchmark yr)	Review				92.0	
14	Senior Phase Enrolments (23/24 benchmark yr)	Review				667.0	
Measure 3: RETENTION, SUCCESS & PROGRESSION							
32	Modern Apprenticeship successful outcomes (contract year)	Monthly	61.0%	65%	65.0%	63.2%	97.2%
Measure 5: FINANCE							
52	Adjusted current ratio	Annual		1.7	1.7		
53	EBITDA as a % of income	Annual		-1.0%	-1.0%		
54	Staff costs as % of income (less NDP/capital allowances)	Annual		78.0%	78.0%		
55	Cash days in hand	Annual		62.0	62.0		
56	Income as a % of Expenditure	Annual		99.0%	99.0%		
57	Curriculum contribution (overall % - estimate)	Annual	41%	40.0%	40.0%	51.0%	127.5%
58	Analysis of aged debtors > 90 days	Quarterly		50.0%	50.0%	8.1%	16.2%
Measure 6: ESTATES & CAMPUS							
59	Room Occupancy - Frequency %	Monthly	19.0%	35.0%	34.6%	35.8%	103.4%
60	CO2 Emissions on Utilities (gross) Tonnes	Monthly	553	553	553	638	115.2%
61	% waste sent to landfill	Quarterly	70.0%	15%	15.0%	10.6%	70.5%
62	Estates reactive task completion rate %	Monthly	96%	95%	95%	94.5%	99.5%
63	GTFM % reactive task completion rate	Monthly	93%	92%	92%	95.1%	103.4%
64	Total % of Capital expenditure budget committed (Aug - March)	Monthly	100%	100%	100%	100.0%	100.0%

### 2.1 MA Contract Performance (SDS contract year 1 April 2024 - 31 March 2025)

There are 754 Modern Apprentices in learning on our own contract at end August 2024, with 164 new starts this year. Modern Apprenticeship Income (ex. travel and accommodation) 535K at Period 5, with £70K outstanding awaiting claim.

For UHI Inverness, 374 starts were awarded, which is 121 more than in 2023/24. Concerns raised in my last report in June regarding the timing profile of the starts enforced by SDS, have been allayed thanks to intensive work by Business Solutions. Not only did we meet our own profile, but our over-performance prevented starts being clawed back from the UHI partnership-wide contract, as shown in table 1 below.

Table 1. UHI Partnership Contract MA Starts at August Reconciliation Point

New Starts	Forecast End July	Forecast End-Aug	End-Aug KPI 28%	Actual to End-Aug	Perf. to KPI
Total	81	234	223	266	+43
Argyll	6	24	21	25	+4
Inverness	51	119	105	164	+59
Moray	14	21	16	19	+3
Orkney	4	22	13	13	0
Perth	2	28	32	29	-3
NWH	4	20	36	16	-20

## 2. Graduate Apprenticeships

The growth in Graduate Apprenticeships has continued and we have recorded 127 new GAs to date. We expect this to increase to 135 by the course start date in October 2024. Work is in progress to developing two new GA courses to be launched in 2025/26 academic year, for Engineering and Accountancy. We are also working to influence the creation of a new GA framework for Social Work, in response to demand from local authorities across the Highlands, Islands, Moray and Perthshire.

## 3. Other Business Solutions Income

Commercial course income for 2024/25 has been reduced and may need to be adjusted in year, as we have been unable to secure sufficient new lecturing staff in plumbing or in electrical. We will be going out to procurement to seek associate trainers to deliver commercial courses in these disciplines, as we believe the nationally negotiated terms and conditions for lecturers are not always attractive to those working in electrical and plumbing occupations.

SECTT and SNIPPEF starts have commenced in line with expectations, however contracts have not been signed with SECTT to date and are subject to negotiation.

## 4. Operations and Commercial Services

### Staff Deployment

The Operations and Commercial Manager has devised a staff deployment mechanism which integrates with our curriculum planning tool. Following a pilot last year, this has been fully implemented for the 2024/25 academic year. This provides the opportunity to drill down into the detail of our staff deployment by course, module, subject, and

individual, enabling efficient planning, deployment and monitoring of teaching staff hours.

### **Course Costing**

The course costing tool developed by the Operations and Commercial Manager is now fully adopted across the institution and used to inform both the costing of opportunities and our curriculum plan.

### **Curriculum Planning Review**

The curriculum planning review process has commenced for 2025/26. Sector development plans including new plans for Social Services, Fabrication and Welding will support the review process. Our Highers offer is under particular scrutiny and the draft curriculum plan with any key recommendations for change will be presented to EMT in December.

### **Business Planning – Research**

The Commercial & Operations Manager is supporting the review and monitoring of Business Plans which are being developed for each of our research centres. Whilst this work is ongoing, all PIDs are subject to scrutiny.

### ***Food Service and Events - Financial Performance***

Hospitality and Events revenue outturn was £645,301 against a budget of £649,700. The £4,999 variance is a result of fewer students visiting from the US on the summer programme. Within the total revenue figure, revenue from 'sale of food' amounted to £622,825 against planned £548,700. GP% was 53.6% against a target of 50%. The target GP takes account of the cost of supplies which are used to provide free breakfast and lunch to students.

Staff costs outturn for the period was £395,420, budget £419,237. . This sum includes the total backdated pay award including on-costs. Of the pay award, £2,000 per person (pro-rata) should be accrued to FY22/23. The deficit for the year amounts to approximately £76,000 against the budgeted deficit of £123,917.

Overall, total expenditure, before adjusting for the accrued pay award, finished £762,000 against budget of £773,000.

### **Student Support – Free Breakfast and Lunch**

For the year to end of June 24, the college provided approximately 50,500 free breakfasts and lunch, split roughly as 27,500 breakfast portions and 23,000 lunch portions.

The direct costs of this service for the year are approximately £42,000, not including impact on revenue.

### **Internal Hospitality**



Internal hospitality is monitored monthly. Total internal hospitality for the year amounts to £5,218 which is an 8% increase on 23/24. The costs reflect the increased number of meetings and engagement activities that take place on campus.

**Student Satisfaction**

The department achieved a very commendable 94.4% satisfaction score in April's SSES. In addition, the quality of catering was the most responded to optional question in the survey with 1,493 responses. With the extra staff member in the kitchen, it is intended that initiatives such as theme days etc. will be reintroduced to the menu plan to help stimulate satisfaction and revenue.

**Waste & sustainability**

Waste and sustainability remain a priority for the department with volume waste monitored and recorded as an equivalent cost per transaction.

Performance remains good in this area with average costs at ~3.0p per transaction, well within industry parameters. Compostable products continue to increase in price; this is an area of expenditure that will be watched. Other sustainability initiatives will be explored in support of departmental and college sustainability objectives.

## Finance & General Purposes

<b>Subject/Title:</b>	13. Estates and Campus Services Report
<b>Author:</b> [Name and Job title]	Martin Kerr, Estates & Campus Manager
<b>Meeting:</b>	Finance and General Purposes Committee
<b>Meeting Date:</b>	12 <sup>th</sup> Sept 2024
<b>Date Paper prepared:</b>	29 <sup>th</sup> Aug 2024
<b>Brief Summary of the paper:</b>	This paper provides updates on our carbon management plan, waste management and capital projects, together with reporting on aspects of soft FM and hard FM performance
<b>Action requested:</b> [Approval, recommendation, discussion, noting]	Noting
<b>Link to Strategy:</b> Please highlight how the paper links to, or assists with:: <ul style="list-style-type: none"> <li>• compliance</li> <li>• partnership services</li> <li>• risk management</li> <li>• strategic plan</li> <li>• new opportunity/change</li> </ul>	
<b>Resource implications:</b>	Yes / No <b>If yes, please specify:</b>
<b>Risk implications:</b>	Yes / No <b>If yes, please specify:</b> Operational: Organisational:
<b>Equality and Diversity implications:</b>	Yes/No <b>If yes, please specify:</b>
<b>Consultation:</b> [staff, students, UHI & Partners, External] and provide detail	

<b>Status –</b> [Confidential/Non confidential]	Non confidential
<b>Freedom of Information</b> Can this paper be included in “open” business* [Yes/No]	Yes

\*If a paper should **not** be included within “open” business, please highlight below the reason.

Its disclosure would substantially prejudice a programme of research (S27)		Its disclosure would substantially prejudice the effective conduct of public affairs (S30)	
Its disclosure would substantially prejudice the commercial interests of any person or organisation (S33)		Its disclosure would constitute a breach of confidence actionable in court (S36)	
Its disclosure would constitute a breach of the Data Protection Act (S38)		Other (please give further details)	
For how long must the paper be withheld? (express either as the time which needs to pass or a condition which needs to be met.)			

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)

## **Campus Services Report**

### **Key developments:**

#### **Campus Occupancy and observations**

Sector Development Plan room change plan started this summer. Unfortunately install has been delayed awaiting building warrants from highland council planning. As a number of clarifications have been sought.

G1 being developed into new Engineering Technology Centre. - New PC suite, 2 flexible clean workshops, new PLC facility.

Temp PC suit installed and mailroom mods complete 15<sup>th</sup> Aug.

201 being developed into new Creative Centre – Reflooring of room, new room dividing wall and sink area. Awaiting Building Warrant.

Research have moving to 242a/b Complete pre summer shut.

G38/ 39 are being converted to dirty workshops. With dividing wall. demolition work has started with concrete pour Saturday 31<sup>st</sup> August.

215 becoming a PC suite. Complete pre summer shut.

The Exam room is moving to 110 complete.

Quite room relocation to 155 complete

HISA have moved up to 214 per summer. New window being installed during October break.

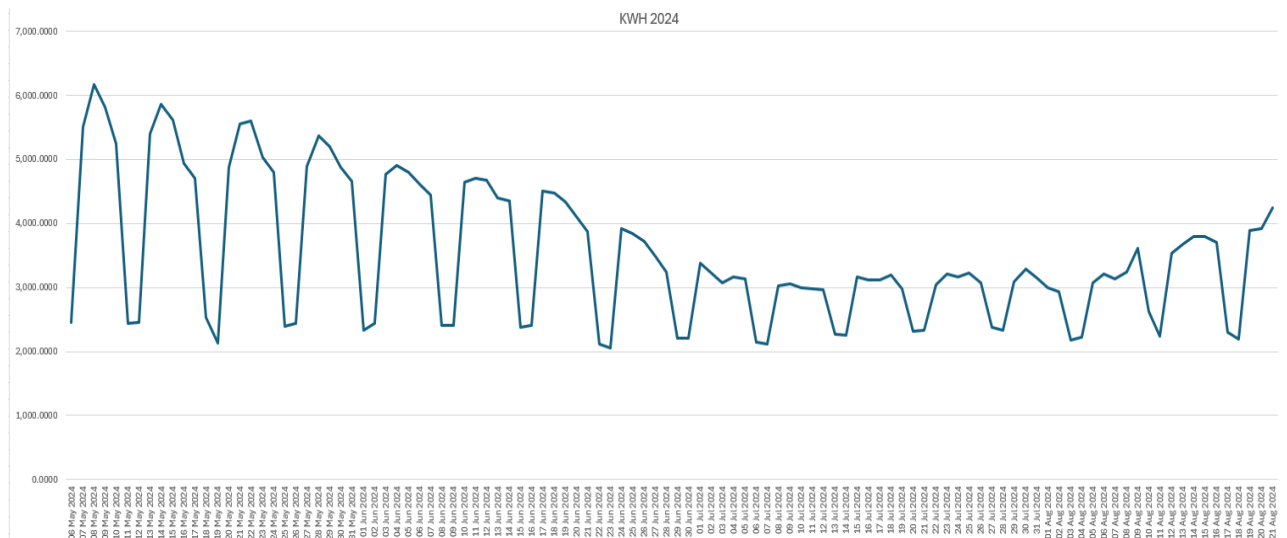
Estates have supported a number of academic development projects. SEAM centre refurbishment, Sustainability construction centre, new building, feasibility project.

## Carbon Management Plan

The Inverness College Carbon Management plan has been developed by the Estates team and GTFM our FM contractor. The group has been undertaking low to no cost options to reduce gas and electricity consumption. We have developed an 8 point action plan to reduce our energy consumption.

During the summer all lighting on the second floor and external lighting has been changed to LED.

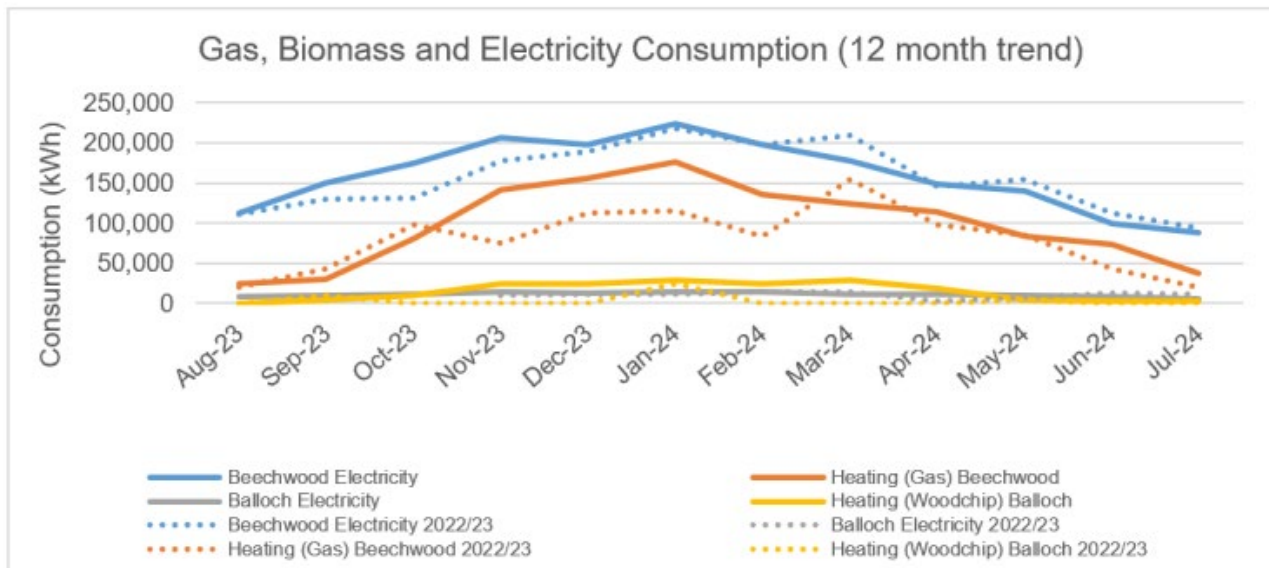
A number of changes have been made to the BMS system controls to improve efficiency. As well as our usual energy reduction measures, switching off - compressed air, heating at SSF, etc.



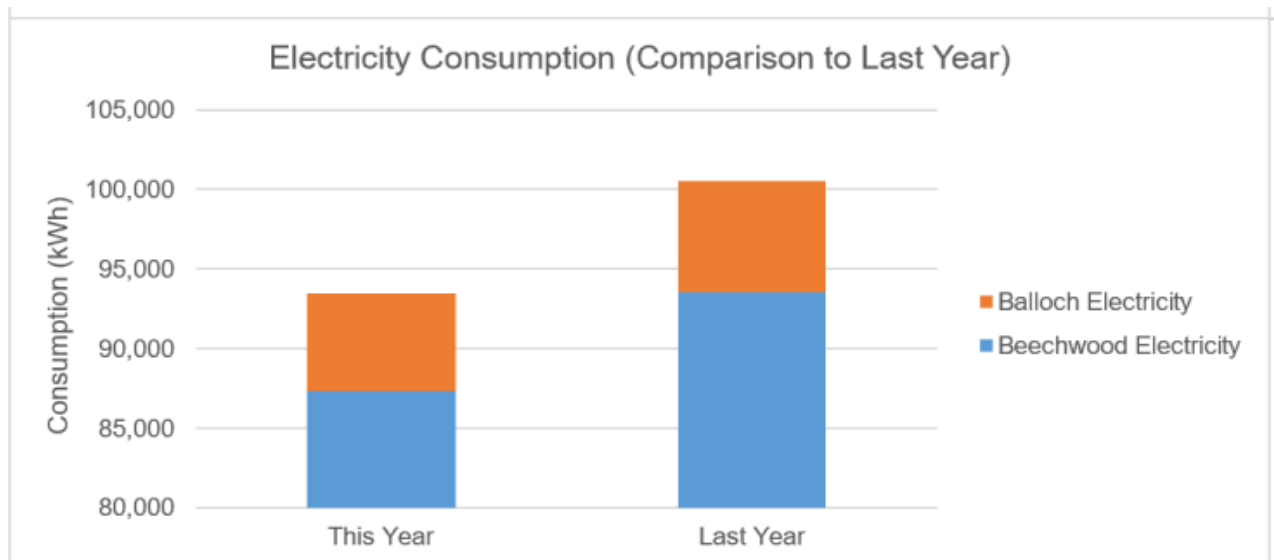
In the meantime, IC has undertaken a fortnightly Campus Energy meeting to review benefits form campus heating and ventilation systems control adjustment.

- Electrical base line study to determine high load areas.
- Building management schedule changes, operating times and set point adjustments.

GTGM produces a monthly utility report for scrutiny at the IC GTGM Monthly Operations Meeting chaired by the Estates Manager.



Energy consumptions are reducing due to time of year and adjustments made to BMS schedules.



### Waste Management

Northern recycling performing well. No issues reported. IC are no longer sending waste to landfill going forward.

### Soft FM and Contracts

The estates and Percurrent team have launched a number of high value contract reviews. The main being campus cleaning contract and waste management contract, both of these contracts have been won by the incumbent suppliers. Providing excellent quality scoring and cost savings to each of the contracts.

### Pool vehicle

First of minibuses lease buses. Arrived early May unfortunately we have had maintenance issues. Now resolved awaiting delivery to campus.

Second has arrived with no issues.

New automated booking system now in place and working well.

**Leasing Agreements**

WASPS securing a 5-year lease agreement on hold.

An-lochan lease agreement being reviewed due to substantial cost increase.

Burnett road lease is secured until May 2026. One year extension has been requested as a contingency plan. Awaiting response from owner.

**Water Risk Assessment**

Guidance document presented to H&SC.

**Hard FM, GTFM**

GTFM have made good improvements in speeding up the ACN process, by engaging new contracting firms. We have now access to BMS system access, however very slow operating system. CCTV reliability still being reviewed, new contract company has been secured by GTFM. GTFM supporting Carbon management plan

**Capital Project and Campus Management Capital Projects Update****ABC Garden/ Healthy Campus**

Working group looking to agree specification of outside classroom. Highland Council has confirmed planning permission will be required. Project is to be transferred into the campus development group.

**Sector Development Plan Project.**

As updated above.

Estimated cost £560,000.

**Sustainable Construction Centre.**

Pick Everard have been awarded architecture and design lead for developing design of new building in carpark 3 to remove the need for leases in Burnett rd. estimated time of completion December 2025.

Estimated cost £800,000.

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