

# Finance and General Purposes Committee, Meeting, Month 10, 2023-2024

*Wed 22 May 2024, 16:30 - 18:30*

## Attendees

### Chair

- Graeme Howell (Interim Vice Chair of the Board of Management, Interim Chair of Finance and General Purposes Committee, Senior Independent Member)

### Board Members

- David Sandison (Interim Chair of the Board of Management, Interim Chair of Search and Nominations Committee)
- Maria Bell (Independent Director)
  
- Absent: Samuel Wyeth (Non-Teaching Staff Director)
- Absent: Keith Massey (Local Student Director)

### Management Team Member

- Katrina Short (Head of Finance)

### Ex-Officio

- Jane Lewis (Principal - Shetland UHI)

### Staff In Attendance

- Matt Sierocinski King (Board Secretary)
- Stephen Martin (Campus Redevelopment Project Manager)

### Also In Attendance

- Scott Rhynas (UHI Finance Manager)

### Observers

- Steve Keightley (UHI FGPC Observer)

### Apologies

- Daniel Lawson (Independent Director)

## Meeting minutes

### Opening Items

#### 1. Welcome, Apologies, and Announcements

Mr Howell (Chair of Finance and General Purposes Committee) welcomed everyone to the meeting.

## 2. Declarations of Interest

Mr Howell (Chair of Finance and General Purposes Committee) asked if any member had any interests to declare with matters related to the agenda. No such declarations were made.

## 3. Minutes of Previous Meeting

Mr Howell (Chair of Finance and General Purposes Committee) asked members of the Committee to review the Non-Confidential Minutes of the previous meeting for matters of accuracy. The Chair of Finance and General Purposes Committee asked members of the Committee to review the Confidential Minutes of the previous meeting for matters of accuracy.

**Decision:** The Committee approved the Non-Confidential Minutes as a true and accurate record of the previous meeting.

**Decision:** The Committee approved the Confidential Minutes as a true and accurate record of the previous meeting.

## 4. Matters Arising

Mx Sierocinski King (Board Secretary) and Professor Lewis (Principal) went through the actions from the previous meeting. The Principal confirmed that the cost of apprenticeships have been calculated, and the work is ongoing. She also confirmed that Mr Wyeth (Non-Teaching Staff Director) had sent a list to the Operations and Estates Committee of what needs to remain switched on, particularly within the Cafe at Lerwick, and therefore this action was complete.

All other actions, as listed below, were deemed ongoing.

**Action:** Ms Johnson (Finance Manager) and the Board Secretary are to meet regarding the suggested amendments to the minutes.

**Action:** The Board Secretary shall amend the minutes of the Joint Audit Committee Meeting with Finance and General Purposes Committee accordingly.

**Action:** The Board Secretary shall amend the minutes of the Quarter 2 meeting of Finance and General Purposes Committee accordingly.

**Action:** Mr Arthur (Aquaculture and Hatchery Manager) is to report back to the Committee if bottom line changes by more than £2,000 in a negative direction.

**Action:** The Aquaculture and Hatchery Manager is to inform the Committee on any costs of legal fees.

**Action:** Professor Lewis (Principal) shall check with insurers regarding the impact of closure of the Lerwick campus upon UHI Shetland's insurance.

**Action:** Mrs Burden (Depute Principal Tertiary) shall provide the Committee with a paper on the costs of Modern Apprenticeships by October.

## 5. \*Terms of Reference

**Noted:** The Terms of Reference were noted.

## Financial Monitoring

### 8. UHI Funding Model

Mr Rhynas (UHI Finance Manager) joined the meeting at this point in the agenda. Everyone introduced themselves to the UHI Finance Manager.

The UHI Finance Manager spoke to the Committee about the Resource Allocation Model (RAM) and the UHI funding model, and how the UHI Partnership receives money with £110m from SFC representing about 65%-75% of the total income of the Partnership, with £45m for HE and £65m for FE, with these grants funding Teaching, Research, and Capital, and Student Support.

He spoke about the Top slice that comes from HE UGT (35%), HE REG and FE Teaching Grant. He detailed how this was split between the Academic Partners across the UHI Partnership. He also spoke about the expenditure of UHI. He moved on to the RAM detailing the removal of Top slice, fixed expenditure on matters like national pay bargaining, from SFC grant, with the remaining balance as Volume funding. He moved on to speak about MicroRAM.

The Committee discussed the presentation, with a focus on MicroRAM, and the rural premium. The Committee discussed the funding model in detail and whether it is serving the partnership effectively. The UHI Finance Manager confirmed that the funding model has not changed since 16/17, with a view to review the funding model in 24-25. The Committee requested further detail on the funding calculations from SFC for UHI Shetland. The Committee discussed establishing a more flexible model both within UHI and for SFC.

Professor Lewis (Principal) spoke about comparators for the national bargaining uplift compared to other Academic Partners and detailed the lack of fairness and the reasons that these lack of fairness existing. The Committee also raised the issue of Distant Islands Allowance, and that it is not incorporated into rurality funding, along with the funding output. Throughout this discussion the phrase "historic" was used in reference to how the models were established, with no detail as how that was established initially.

**Action:** The UHI Finance Manager is to provide the Committee further detail on the funding calculations from SFC for UHI Shetland.

## **Risk Management**

### **11. Risk 7 - Financial Failure**

Ms Short (Head of Finance) gave the presentation on the Finance risk focusing on the changes made to the risk which she explained to the Committee. Under the possible causes, reductions in SFC funding, reductions in student numbers, and Fraud, were added. She added that the action plan to mitigate against the risk now included the development and roll of the recovery plan, along with the roll out of the VS Scheme. The Head of Finance spoke about her reassessment of the risk levels, having sought the perspectives of senior staff and Mx Sierocinski King (Board Secretary) and decided to raise the pre-action risk level to be 20 rather than 16, but chose to retain the post action risk level at 12.

The Committee discussed the changes, and endorsed them. The Board Secretary gave the context of the suggestions from Audit Committee for some of the changes made to the risk.

## **Committee Matters**

There were no Committee matters raised during the meeting.

## **Closing Items**

### **12. Any Other Business**

Mr Keightley (SFC Observer) gave his thoughts on the meeting and praised Ms Short (Head of Finance) for her work since starting in the role. The Head of Finance spoke about the pay bargaining matter. Mr Howell (Chair of Finance and General Purposes Committee) gave thanks to the SFC Observer for attending the meeting, and gave thanks to the Finance team for their work.

The Chair of Finance and General Purposes Committee plugged the music degree show on 6th June at Mareel.

Professor Lewis (Principal) plugged the Art Degree show at the Lerwick Campus of Shetland UHI starting on 5th June.

## 13. Date of Next Meeting

The dates of the next meeting are:

- Quarter 4 Month 11 Meeting: 12th June 2024
- Month 12 Meeting: 15th July 2024

<b>Agenda Item</b>	<b>Action</b>	<b>Responsible</b>	<b>Progress</b>
4	Meet regarding the suggested amendments to the minutes.	Ms Johnson (Finance Manager) and the Board Secretary	
4	Amend the minutes of the Joint Audit Committee Meeting with Finance and General Purposes Committee accordingly.	Board Secretary	
4	Amend the minutes of the Quarter 2 meeting of Finance and General Purposes Committee accordingly.	Board Secretary	
4	Report back to the Committee if bottom line changes by more than £2,000 in a negative direction.	Mr Arthur (Aquaculture and Hatchery Manager)	
4	Inform the Committee on any costs of legal fees.	Aquaculture and Hatchery Manager	
4	Check with insurers regarding the impact of closure of the Lerwick campus upon UHI Shetland's insurance.	Professor Lewis (Principal)	
4	Provide the Committee with a paper on the costs of Modern Apprenticeships by October.	Mrs Burden (Depute Principal Tertiary)	
8	Provide the Committee further detail on the funding calculations from SFC for UHI Shetland.	UHI Finance Manager	