

# FINANCE AND GENERAL PURPOSES COMMITTEE

Minutes of meeting held on

Friday 26 September 2025

At 1.30pm in the Boardroom

## Present:

David Patterson

Grenville Johnston

Caroline Webster

Ralph Luck

## In Attendance:

Alex Hastings (Minutes)

Derek Duncan

Michaela Munro

Murray Easton

| Item              |                                                                                                                                                                                      | Action | Date |
|-------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|------|
| <b>F.25.04.01</b> | <b>(i) Resignations</b>                                                                                                                                                              |        |      |
| 1.1               | There were no resignations.                                                                                                                                                          |        |      |
|                   | <b>(ii) Appointments</b>                                                                                                                                                             |        |      |
| 1.2               | There were no appointments.                                                                                                                                                          |        |      |
|                   |                                                                                                                                                                                      |        |      |
| <b>F.25.04.02</b> | <b>Apologies for Absence</b>                                                                                                                                                         |        |      |
| 2.1               | Apologies for absence were received from Colin Watson and Katy O'Connor.                                                                                                             |        |      |
|                   |                                                                                                                                                                                      |        |      |
| <b>F.25.04.03</b> | <b>Any Additional Declarations of Interest including specific items on this Agenda</b>                                                                                               |        |      |
| 3.1               | There were no additional declarations of interest.                                                                                                                                   |        |      |
|                   |                                                                                                                                                                                      |        |      |
| <b>F.25.04.04</b> | <b>Draft Minutes of previous Finance and General Purposes Committee Meetings:</b>                                                                                                    |        |      |
|                   | <b>(i) 29 May 2025</b>                                                                                                                                                               |        |      |
| 4.1               | The minutes of the Finance and General Purposes meeting held on 29 May 2025 were accepted as a true and accurate record:<br>Proposed: Caroline Webster<br>Seconded: David Patterson  |        |      |
|                   | <b>(ii) 30 July 2025</b>                                                                                                                                                             |        |      |
| 4.2               | The minutes of the Finance and General Purposes meeting held on 30 July 2025 were accepted as a true and accurate record:<br>Proposed: Caroline Webster<br>Seconded: David Patterson |        |      |
|                   |                                                                                                                                                                                      |        |      |
| <b>F.25.04.05</b> | <b>Matters Arising from previous Finance and General Purposes Committee Meetings:</b>                                                                                                |        |      |
|                   | <b>(i) 29 May 2025</b>                                                                                                                                                               |        |      |
| 5.1               | <b>7.1</b> Complete                                                                                                                                                                  |        |      |

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| 5.2               | <b>11.1</b> Complete                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |  |  |
|                   | <b>(ii) 30 July 2025</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |  |  |
| 5.3               | <b>4.1</b> Complete – Derek confirmed that RAAC will not be covered by insurance as it is considered an existing defect.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |  |  |
| 5.4               | <b>4.2</b> Ongoing – Clerk to follow up.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |  |  |
| 5.5               | <b>4.3</b> Complete                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |  |  |
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| <b>F.25.04.06</b> | <b>Financial Update</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |  |  |
| 6.1               | <p>Murray supported the paper, advising that the 2024/25 accounts are still being finalised and are going through some adjustments.</p> <p>As per a previous action to conduct a report on net commercial income, Murray highlighted that this has not yet been finalised and will be circulated to members offline.</p> <p>Murray informed members that there is a live discussion ongoing at Government level regarding the potential for some capital funding to be reallocated to revenue. Murray provided a route map to achieve a balanced budget explaining how this may look.</p> <p>David highlighted that the SFC published a report regarding the financial sustainability of colleges. The report details that 92% of colleges are predicting an AOP deficit in 2025/26. Financial forecasts show that most colleges are not sustainable. David added that Forth Valley College has gone public about the possibility of selling-off campuses.</p> <p>The Committee noted this update.</p> |  |  |
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| <b>F.25.04.07</b> | <b>Estates Update</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |  |  |
|                   | <b>(i) Estates Update</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |  |  |
| 7.1               | <p>Derek supported the paper, highlighting that the building condition survey report is expected to be ready in time for the next F&amp;GP meeting.</p> <p>Derek summarised the projects being prioritised for capital spend in 2025/26. Murray highlighted the need to drive forward in prioritising maintenance activity, whether they are revenue projects or capital.</p> <p>The Committee noted this update.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |  |  |
|                   | <b>(ii) RAAC Update</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |  |  |
| 7.2               | Derek supported the paper, detailing the cost to get plans through to RIBA Stage 2, which will consist of an 8 – 10 week project. Murray has spoken to Mike Baxter at EO to affirm how the College should position itself in terms of funding                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |  |  |

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|                   | <p>pots available from the SFC. Derek added that construction work on the Speyside Wing should commence at some point during session 2026/27.</p> <p>The Committee noted this update.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |           |  |
| <b>F.25.04.08</b> | <b>Policies Due for Review - Verbal</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |           |  |
| 8.1               | <p>Derek informed members that the Financial Regulations and Procedures policies require a final sense check and Finance Director sign-off prior to being presented to SLT and then the Committee for approval. Derek added that although these are substantial documents, only minor changes have been made.</p> <p>The Committee noted this update.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |           |  |
| <b>F.25.04.09</b> | <b>Moray Growth Deal Update</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |           |  |
|                   | <b>(i) BEH</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |           |  |
| 9.1               | <p>Murray supported the paper, advising that Moray Council have been sent a package from the College's lawyers to clarify some key issues in the event that certain 'what ifs' happen, such as the Council suspending grant money or the Government ceasing to make funding available for MGD projects.</p> <p>David informed members that the Moray Programme Board met this week where a report was requested on plans for posts for the BE Hub. David advised that this will not be possible until it is known when funding is available for a commercial manager type lead. The new Deputy Principal has two contracted days per week to manage BE Hub work as an academic lead.</p> <p>Murray highlighted that Thorntons advised the College to put discussions regarding step-in rights on hold, adding that this may not lead to the best outcome for the College and the College should hold its own and ring-fence the project should anything happen to Robertson. Caroline asked Murray to investigate running retention in case of step-in rights.</p> <p>The Committee noted the update and shared continued thanks to the Board Members for having the resource and skill to deal with the project.</p> |           |  |
| <b>ACTION</b>     | Murray to investigate running retention in case of step-in rights.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <b>ME</b> |  |
|                   | <b>(ii) ME&amp;EIC</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |           |  |
| 9.2               | David advised that there was not much to report since the last meeting. Despite a letter sent to the Council from                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |           |  |

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|                   | <p>Alastair MacColl, Chair of UHI Court, the Council remain reluctant to enter discussions without meeting with Vicki Nairn in person.</p> <p>The Council has sent Vicki Nairn a seeking answers on a number of topics. David advised that the team are working on this and hopefully an update will be available from Vicki Nairn by next week. Ralph suggested that it would be more comfortable if the response to the Council's questions was a joint letter.</p> <p>Murray asked what level of capital costs the council believe is required, querying whether it is the full £21m funding available, or around £16m, with the remainder shared with DHI. David stated that DHI wants £5m capital funding, despite the fact that no actual capital will be invested into Moray. In this case, the capital funding would be used to fund revenue costs for the project.</p> <p>The Committee noted this update.</p>                                                                                                                                                                                                                                                                                                                                                                                  |  |  |
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| <b>F.25.04.10</b> | <b>Emerging Issues</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |  |  |
|                   | <b>(i) Transformation Update - Verbal</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |  |  |
| 10.1              | <p>David drew attention to the letter written to Grenville, which has since been shared with the Committee, to express concerns regarding recent developments with the project. David welcomed questions from the Committee and asked for a plan to be considered going forward.</p> <p>Murray highlighted the risk of doing nothing, which may lead to more progress made by stealth resulting in a FBC which outlines full approval across the partnership, despite that not being the case. David stated that the minutes from the Transition Executive Board meetings will be requested to review whether they are agreeable.</p> <p>Grenville informed members of a number of meeting invitations that have been received as Interim Chair, and views will be expressed in these meetings so that EO is aware of the College's displeasure with the current process.</p> <p>Murray highlighted that EO will prioritise completing the FBC by the end of the 2025, whether this is sub-optimal would not be surprising. Murray added that there is a tone coming through that everything is lined up for Option 6 (full merger) as the financial assumptions do not match Option 3. Murray stated that it is unacceptable that KPMG are managing the project without further engagement with the</p> |  |  |

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|                       | <p>partners. Murray added that real, genuine engagement is paramount to have any buy-in from the partners.</p> <p>It was agreed that Grenville would write to Alastair MacColl to express the F&amp;GP Committee's concerns discussed regarding a lack of engagement.</p>                                                                                                                                                                                                    |           |  |
| <b>ACTION</b>         | Grenville to write to Alastair MacColl to express the F&GP Committee's concerns discussed regarding a lack of engagement.                                                                                                                                                                                                                                                                                                                                                    | <b>GJ</b> |  |
|                       | <b>(ii) Moray Council Loan - Verbal</b>                                                                                                                                                                                                                                                                                                                                                                                                                                      |           |  |
| 10.2                  | <p>Murray informed members of a potential avenue to consider regarding the early repayment of a Moray Council loan dating back to 1992, this being due to an increase in the Council's interest rates for 2025/26.</p> <p>Murray detailed payment options in an additional paper presented to the Committee, highlighting that it would allow for savings of around £12.5k.</p> <p>The Committee agreed to the early repayment, subject to further endorsement from SLT.</p> |           |  |
|                       | <b>(iii) Job Evaluation - Verbal</b>                                                                                                                                                                                                                                                                                                                                                                                                                                         |           |  |
| 10.3                  | Item not discussed.                                                                                                                                                                                                                                                                                                                                                                                                                                                          |           |  |
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| <b>F.25.04.11</b>     | <b>Date of Next Meeting – 4 December 2025 (Joint FGP/Audit)</b>                                                                                                                                                                                                                                                                                                                                                                                                              |           |  |
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| <b>RESERVED ITEMS</b> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |           |  |
| <b>F.25.04.12</b>     | <b>Draft Reserved Minutes of Finance and General Purposes Committee Meeting held on 29 May 2025</b>                                                                                                                                                                                                                                                                                                                                                                          |           |  |
| 12.1                  | This item is reserved, and the minute held in confidence.                                                                                                                                                                                                                                                                                                                                                                                                                    |           |  |
|                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |           |  |
|                       | <i>Meeting closed at 3.30pm</i>                                                                                                                                                                                                                                                                                                                                                                                                                                              |           |  |