BOARD OF MANAGEMENT
Minutes of Meeting held on
Thursday 26 March 2026
At 1.30pm in the Boardroom and by MS Teams

Present:

Roddy Burns (Chair)
David Patterson
Ralph Luck
Caroline Webster
Colin Watson
Katy O'Connor
Jolene Young
Elizabeth Hudson
Emmaleigh Hay

In Attendance:

Murray Easton
Carolyn Thomson
Amber Kenny (HISA)
Eleanor Melton (Clerk)
Alex Hastings (Minutes)
Euan Black (Joined at 3pm)
Derek Duncan
Sam Scott (Left at 3pm)
Paul Travill (UHI Court Member)

Item		Action	Date
BM.26.01.01	**(i) Resignations**		
1.1	A resignation was received from Grenville Johnston. The Board wished to recognise Grenville's contribution, especially as Interim Chair during a challenging period.		
	(ii) Appointments		
1.2	There were no new appointments. Members noted that four candidates are to be interviewed next week, and there have been three more applications. With regards to Audit Committee membership, it was noted that none of the candidates are from an accountancy background.		
BM.26.01.02	**Apologies for Absence**		
2.1	Apologies were received from Clare Matysova.		
BM.26.01.03	**Any Additional Declarations of Interest including specific items on this Agenda**		
3.1	There were no additional declarations of interest received.		
BM.26.01.04	**Draft Minutes of Board Meeting held on 16 December 2025**		
4.1	The minutes of the meeting held on 16 December 2025 were accepted as a true and accurate record: Proposed: Colin Watson Seconded: Ralph Luck		
BM.26.01.05	**Matters Arising from Board Meeting held on 16 December 2025**		
5.1	**11.1** Complete – Derek will address this in the next Annual Complaints Report due in December.		
5.2	**12.1** Complete – Derek will address this in the next Annual Red Button Report due in December.		

5.3	**<u>13.1</u>** Complete.		
5.4	**<u>15.1</u>** Complete.		
BM.26.01.06	**Principal's Report**		
6.1	David supported the paper, firstly by thanking Murray for putting the BE Hub paper together and Ralph for the continued work to support this. David advised that in terms of keeping the project on target, it is important that an agreement is reached today with regards to Murray's paper. David pointed out that although there is a fixed price agreement with Robertson's, potential price increases could be incurred if the project is not signed off as soon as possible. Jolene drew attention to UHI Transformation, querying why Option 3 looks like it will be taken forward when EO were adamant on progressing with Option 6. Roddy stated that there was a consensus at the FBC summit meeting that Option 6 was too risky in terms of the politics and legalities. As far as Option 3 is concerned, the proposal did not go far enough to reach the savings required. Therefore, it was agreed that the next summit meeting will look at developing an enhanced Option 3, as well as focusing on the top slice. David added that Option 6 would have had a catastrophic effect on student achievement and experience. Paul agreed with Roddy and David's summaries of the summit meeting, adding that part of the discussion was to move away from the labelling of options. Caroline pointed out that it is assumed that Option 3 is being looked at from a legal perspective, adding that a large amount of professional fees was paid to investigate the legalities of Option 6 and it would be beneficial to avoid this going forward. Carolyn advised that at today's partnership HR Directors meeting, the point was raised regarding the legalities of Option 6, and questions were asked on why EO took the option so long down the FBC journey to come to this conclusion. Murray added that the UHI Finance Directors had a meeting this morning focusing on what lessons could be learned from the process to move to an enhanced Option 3. It was agreed in the meeting that it would be critical to detail what the operating model would look like. Murray added that unless there is a clear structure on how the transformation is going to be organised and run, there cannot be any opinion on the academic agenda and the structure of shared services. Jolene queried the possibility of requesting information outlining what the funding, received for Transformation, has been spent on.		

	David drew attention to HE applications, which are at their lowest point in four years. The priority for the remainder of the recruiting period will be on marketing HE enrolments. This update was noted by the Board.		
BM.26.01.07	**HISA Update**		
7.1	Members noted the paper provided. David highlighted the positive impact HISA has made over the past 12-18 months. Katy echoed this, adding that student awareness of HISA is very high. Emmaleigh drew attention to issues with students accessing food at the Technology Centre, stating that due to there being no on campus service, students are expected to drive or walk 40 minutes to the nearest supermarket. Derek advised that the head of marketing is currently putting the tender together for the new catering services contract, adding that current arrangements at Linkwood have not worked. Colin stated that a meeting between HISA and the head of marketing is required immediately, as tendering is underway.		
ACTION	Meeting to be arranged between HISA and the Head of Marketing regarding catering services at the Technology Centre.	**DD**	**ASAP**
BM.26.01.08	**Finance Update**		
	(i) 2025-26 Forecast		
8.1	The Board noted this update. Murray highlighted that the College is one of the best performing UHI partners as we are not currently reporting a deficit.		
	(ii) 2026-27 Projection		
8.2	Murray supported the paper, explaining that the projection is in part uncertain due to there being no available information on the SFC funding agreement. Murray is predicting an increase in funding, close to 4%. Curriculum work is ongoing with Euan, which will inform the projection further. There are uncertainties regarding whether arrangements for the reallocation of CDel and RDel will be in place for 2026-27. Murray advised that BE Hub construction costs are included in the projection, which will be classed as working capital. This could hit the College in the final quarter of the academic year, but the funding will be recoverable further down the line.		

	Roddy queried what the College's perspective is on funding for utilities such as gas, given ongoing price increases. Derek advised that there is a national framework for energy, adding that most of the energy provision for 2026-27 has been bought already. Derek stated that the College will not be immune to the future impact of price increases, and an increase will be expected in 2027-28. The Board noted this update.		
BM.26.01.09	**Risk Update**		
9.1	Murray advised that there have been no major changes to the risk register. The risk profile of the BE Hub has reduced due to agreement made. The profile of this may change once the construction phase begins. The Audit Committee will decide if this, along with the preoperational phase is to be added to the register. Murray reminded members of the internal auditors' findings regarding the risk management process, where it was captured that the process was not user friendly and detrimental to risk management. A meeting was held in November 2025, with a member of EO working on a SharePoint based solution. A number of suggestions were provided as feedback at the meeting, and it was agreed that additional work would be carried out in time for the next meeting. Despite this, the item has been removed from the meeting agenda. Murray is planning on raising this with the FD network, informing members that there needs to be a commitment to have a solution in place by the start of the next academic year. Murray added that if a cross-partnership solution cannot be agreed, the College will have to work in the interests of itself. This update was noted by the Board.		
BM.26.01.10	**Minutes from Previous Committee Meetings**		
	(i) Draft Minutes of Staff Governance Committee Meeting held on 26 February 2026		
10.1	Ralph pointed out that in the matters arising item, Board members are unable to see what the actions detailed as complete, for example, are. It was agreed that this would be looked at, with the potential to include the matters arising sheet in the Board pack. Murray suggested that with Roddy's appointment as the Chair of the Board, now is the opportunity to look at efficiencies such as reducing the detail in minutes for all Committees and the Board. Murray added that it would		

	be beneficial for estates priorities if the workload on minutes was reduced for Alex. Caroline stated that there was a conscious decision by the Board a number of years ago to reduce the information included in Board packs. Roddy stated that this will be considered in the wider context, adding that meetings with David will allow for an understanding on what the Board and the Principal requires. Elizabeth pointed out that it would be good to have a position on AI efficiency, such as a statement detailing the use of AI. Derek stated that there are risks involved in minuting specifically, since AI records everything, meaning the College would not be in control of what data is collected. Derek added that UHI will be issuing guidance on AI use very soon. Caroline stated that from experience, all private practices are using AI for minutes.		
ACTION	Clerk to look at how papers from Committees are presented to the Board.	**EM**	**ASAP**
	(ii) Update on Learning, Teaching and Quality Committee Meeting held on 12 March 2026 - Verbal		
10.2	Elizabeth advised that the meeting did not reach quoracy due to a number of resignations, therefore formal decisions were not made. Elizabeth highlighted discussions during the meeting, such as risks associated with key staff leaving and replacements not being appointed, adding that this could be considered for addition to the risk register. Roddy queried whether staffing continuity is something the Board should be monitoring. Katy advised that David explained plans during the meeting. Euan added that the discussion at LTQ was based on leadership capacity specifically as the College embarks on BE Hub, MEESA and estates priorities. Carolyn stated that the Staff Governance Committee meeting focused on organisational resilience, with the audit on this starting in April.		
BM.26.01.11	**Estates Update**		
11.1	Derek supported the paper, Roddy queried what progress has been made on developing the estates strategy. Derek explained that Colin has had a condition survey done, which is currently being reviewed. Roddy asked how the cycle of estates planning falling behind in priority in place of college finances, for example, could be stopped. Derek agreed that there is a requirement for a clear view on how to progress with priorities. Roddy highlighted that if the College is spending around £0.5m per year effectively maintaining health and safety issues, then better options		

	need to be considered. Derek explained that information is regularly provided to the SFC detailing all the College's estate issues, adding that the SFC is aware of where funding priorities should be going. Colin highlighted that estates are working on a wholly reactive basis, adding that as a result of this, funding priorities can be agreed but they need to be flexible. Roddy queried what the issue of setting out a 3-year plan would be, adding that the College is currently complying with the funding mechanism, but it is not improving anything. Colin stated that there would be no risk in developing a plan. Roddy emphasised that the impression is that the College estate is very high risk and if there is no plan to mitigate it beyond submitting funding applications, this will need to be captured as an emerging issue. It was agreed that the estates strategy would be added to the F&GP Committee agenda. Ralph explained that it is common for public sector bodies to cut maintenance funding first in instances of financial issues, which has caused problems across various sectors as they end up with a large capital bill. This update was noted by the Board.		
ACTION	Estates strategy to be added to F&GP Committee agenda and reports on a plan of action to be submitted to the Board.	**EM/FGP**	
BM.26.01.12	**Moray Growth Deal**		
	(i) BE Hub Update		
12.1	Murray supported the paper, firstly by thanking Ralph for the expertise committed to the project. With regards to the funding agreement with Moray Council, a letter was received on 25 March accepting the final administrative points raised by the College. The agreement is ready to sign now, pending Board approval. Murray provided updates on the Neighbourhood Board's agreement on the College's proposal regarding VAT, and that the final determination of statements is underway with Robertson, with a letter from Robertson sitting with the College's lawyers. Murray pointed out the claim for outstanding costs incurred from the project, amounting around £100k. The risks previously monitored are completely swamped by risks related to delays of the project. Inflationary rises to the cost of materials currently sits with Robertson, and the College's fixed cost agreement continues to be preserved, however, this is considered as the biggest risk at this point.		

	Ralph explained that the agreement for the building is close to being signed, with no cost to the College providing there are no changes on our side. If the developer has to make changes, then it will absorb the cost. The College will appoint its own quantity surveyor to investigate monthly costs. A clerk of works will also be appointed, with both positions being shared with Cairn Housing Association. Ralph detailed one of the risks, advising that monitoring has been carried out on the accounts of Robertson Property Company Ltd, which, over the last two years, is a continually loss-making company. The College now has the insurance of a guarantor company to step in. Although Ralph does not expect anything to happen, this has to be monitored. Ralph explained the step-in process if this was the case. Ralph explained that College representatives will have to be selected in order to receive reports from the QS and clerk of works, emphasising the need to work smartly. Robertson wants contracts signed by the end of March. Ralph will have a final look at the documents to protect the College further. The CEO of Moray Council is monitoring the developments to the project very closely with regards to getting MGD funding spent. Caroline asked how the force majeure clause is being managed, given the ongoing conflict in the Middle East. Ralph explained that terrorism cover has been insisted on with regards to insurance cover. Paul asked if stakeholders at the College involved with the project are all aware of how this will look before change requests are submitted. David explained that Euan is leading the project on the academic side and is aware of how it will look. Sam added that the building has been designed as flexibly as possible for internal and external clients. Colin stated that the College needs to ensure that a process is in place for if any changes were required, such as appointing a person to lead this dialogue. Ralph explained that whilst the College cannot direct the contractor, it may be worth setting up a client workstream group on this. Murray explained that once this phase of the process is complete, SLT will plan ahead. The process will involve the BE Hub project board, which will be further discussed by the F&GP Committee at their next meeting.		

	(ii) BE Hub Funding Agreement		
12.2	The Board agreed to fully support Murray's four proposals detailed in the paper.		

	(iii) Moray Engineering & Energy Skills Academy		
12.3	David supported the paper, detailing that the MGD Programme Board has decided that the project should be taken through the green book process. David highlighted that this will be a big project with big commitment required. Katy queried whether the College realistically has the capacity to undertake this project alongside the BE Hub and other priorities. David explained that a 0.5 FTE STEM leader position has been appointed for the project, adding that the College will need to recruit a project manager as well. David stated that financial backing will be required to provide capacity. David stated that the completion of the Strategic Outline Case for this project is imminent. The Board welcomed this development and recognised issues raised regarding capacity.		
BM.26.01.13	**Emerging Issues**		
13.1	Roddy queried if AI use should be considered as an emerging issue. Derek explained that guidance is going to academic staff, adding that developments are moving very fast. UHI is trying to have a common approach as a partnership. Derek detailed the predicted cost of adopting Microsoft Copilot across the partnership. It was agreed that AI use would, for now, remain a management issue.		
BM.26.01.14	**Date of Next Meeting –** 18 June 2026		
RESERVED ITEMS			
BM.26.01.15	**Draft Reserved Minutes of Board Meeting held on 16 December 2025**		
15.1	This item is reserved, and the minute held in confidence.		
BM.26.01.16	**Reserved Matters Arising from Previous Board Meetings held on 16 December 2025**		
16.1	This item is reserved, and the minute held in confidence.		
	Meeting closed at 4.30pm		