

## **UHI Court Meeting (online only)**

*Thu 14 December 2023, 13:00 - 17:00*

**Members:** Alastair MacColl (Chair), Andrea Robertson (Vice Chair), Vicki Nairn (Interim Principal and Vice Chancellor), Fiona Mclean (Rector), Allan Clow (Independent), Calum Ross (HIE Representative), Paul Travill (Independent), Heather Offord (Independent), Alex Paterson (Independent), Rosemary McCormack (Staff Governor), Derek Lewis (Chair UHI NWH), David Sandison (Chair UHI Shetland), Sara O'Hagan (Trade Union Representative), William Campbell (Student Governor), Gary Souter (Student Governor), Mei-Li Robert (Staff Governor)s, Malcolm Burr, Angus Campbell (Further Education Regional Lead)

**In attendance:** Sheena Stewart (UHI EO), Lorna Walker (UHI EO), Scott Rhynas (UHI EO), Niall McArthur (UHI EO), Neil Simco (UHI EO), Roger Sendall (UHI EO), Max Brown (UHI EO) (in part), Margaret Antonson (UHI EO) (in part), Nicholas Oakley (UHI EO) (Clerk), Phil McNaul (in part)

**Guests:** Audrey Decou (UHI EO Observer), Lindsey Moodie (UHI EO Observer)

**Apologies:** Helen MacInnes, Poonam Malik

**Key:** **DECSISION**, Action

### **Meeting minutes**

#### **1. Preliminary Items**

##### **1.1. Welcome and apologies**

The Chair, Alastair MacColl, opened the meeting and noted the apologies from Helen MacInnes and Poonam Malik.

##### **1.2. Declarations of Interest**

There were no declarations of interest.

##### **1.3. Notification of other business**

No other business notified.

#### **2. Minutes of Meetings**

##### **2.1. Approval of the minutes of 01 November 2023**

The minutes of the meeting of 01 November 2023 were **APPROVED** as an accurate record.

##### **2.2. Matters arising**

The matters arising were **NOTED** as complete or substantive updates on the agenda.

##### **2.3. Delegated decisions**

No delegated decisions were reported.

#### **3. Interim Principal and Vice Chancellor Update**

Vicki Nairn, Interim Principal and Vice Chancellor, introduced her report and noted the following key points, including highlights of progress throughout the year:

- Executive Office (EO) restructure completed in October 2023, including streamlined senior leadership teams and removal of approximately 50 posts.
- Repositioning of research and appointment of a new Dean of Research and Innovation
- Agreed a new 2030 strategy that is providing a baseline for driving change and moving the partnership towards operational singularity and a unified platform for partners.
- Significantly changed the landscape for philanthropic income.
- UHI increasingly utilising its powers as a Regional Strategic Body (RSB) to improve assurance and compliance and enhance scrutiny of partnership finances and planning.
- Three-college merger was a key success.
- Promoting the new UHI branding.
- Building upon student satisfaction reports.
- Revised Gaelic language plan.
- Financial sustainability and recovery plans.
- Repositioning UHI and grasp opportunity to drive forward target operating model to become as efficient and effective as possible.

Members **NOTED** the summary of the year and asked that the Interim Principal and Vice Chancellor convey Court members' gratitude to all staff across the partnership for delivering these outcomes during a challenging period.

In the discussion, the following key points were noted:

1. EO still sought £1.4m of savings that would be delivered through a mix of staff and non-staff costs, including opportunities around vacancy management. Once the university had a permanent Principal and Vice Chancellor in place there may be additional structural adjustments, but a balanced level of change to provide a solid foundation for the future would be prioritised to maintain stability of EO and the partnership. Members requested an updated EO budget and detail on areas of proposed savings at the next meeting.  
Action: Updated EO Budget at February Court meeting (S Rhynas)
2. Court had approved additional investment into economic development and sought an update on progress in this area. Alison Wilson now headed this portfolio, and was building a team including a new Head of Economic Development. Members requested a presentation on Economic Development at the next Court meeting.  
Action: Economic Development Presentation at February 2024 Court meeting (Alison Wilson)
3. The MAATIC project remained a priority for Court, and members were advised that the project had been subject to enhanced project management and cost control by EO staff that recognised the position and exposure of EO as the contracting authority.
4. Members were briefed on the challenges faced by partners, encompassing trade union expectations at both EO and across the partnership about annual pay increases, financial sustainability and recovery plans, student enrolment figures, and the broader funding landscape within the sector. Notably, national bargaining placed a substantial burden on partner colleges, prompting discussions among members about exploring a fundamental reassessment of how UHI delivers education in the region. To tackle these challenges, strategic dialogue was considered essential, and members discussed opportunities to engage in such discussions. The Target Operating Model (TOM) emerged as a key priority in

addressing these concerns. Members were advised that the TOM work required careful consideration of contingencies and cost profiles, and the importance of incorporating these elements into the modelling process to ensure a comprehensive and effective approach to addressing these challenges.

Court **NOTED** the Interim Principal and Vice Chancellor Update.

#### **4. HISA Report**

William Campbell, Student Association President, provided an update on student association activities since the last meeting, covering several key points:

- A focus on enhancing transparency in courses and the development of an Artificial Intelligence (AI) policy were highlighted.
- Gary Souter's inclusion in the UHI Shetland Board of Management was mentioned.
- Ongoing attendance at graduations and various events to stay connected with the student body.
- All-Student Meeting in December 2023. A significant opportunity for students to be informed about the association's activities and vote on proposed changes to articles and schedules, with a majority in favour. An exception was noted for Schedule 2; HISA leadership will review officer composition and elected officers.
- Policies and procedures for societies were revised.
- Participation in various initiatives like the EDI Pride student network, Transgender Awareness Week, and the partnership for 16 Days of Activism to end gender-based violence.
- Activities for Black History Month, including screenings and quizzes.
- Trustee Appointments: External trustees and student trustees underwent interviews, and appointments will be announced at the next meeting.
- Leadership Changes: Acknowledgment of new leadership, the commencement of a new strategic cycle, and ongoing efforts to improve the overall student experience at UHI.

Members commended HISA's efforts during the 16 Days of Activism, and expressed interest in understanding how UHI and HISA are managing the AI policy. It was clarified that the UHI AI policy received an update at Academic Council, and guidance would be issued to staff and students. Academic Council has requested a policy statement in February 2024, specifically covering teaching and research. The upcoming Learning and Teaching (L&T) conference will also include AI as a key agenda item.

Court extended gratitude to the HISA representatives for their hard work and accomplishments throughout the year.

#### **5. Strategic Items for discussion**

##### **5.1. Student Recruitment and Marketing for 2024/25 report**

Neil Simco and Charlotte Wheatland reported on student recruitment and marketing for 2024/25.

Higher Education recruitment remained an institutional priority and the UHI team were working hard to improve UHI's position on domestic, RUK, and international student recruitment.

Charlotte Wheatland presented on recruitment activities, including:

- Improved early warning indicators
- Evolving approach to marketing

- Admissions system was seeing ongoing improvements and developments
- Growth strategy requires a 1.5 – 2 year lead in time for HE markets
- Linking student growth model with UHI's strategy and delivery
- Better use of data to drive marketing and recruitment priorities
- Appointment of international network of advisors and agents
- Marketing campaigns to build brand awareness: "find your place" campaign, emphasising values and geography; "learn local" regional based campaign to focus on local markets and emphasis on flexibility; and target subjects or 'sparkler' courses highlighting areas of subject strength with high inward attractiveness.

Members discussed the update. Members were concerned that the international numbers and projected growth rate was too low and requested more information on what additional resources were required to make greater improvements in this area, as this was regarded as critical for sustainability.

On the international student numbers, members were advised that UHI was starting from a very low base with the exception of TNL in China; and UHI lacked the infrastructure to host significant numbers of international students, and were also constrained by changes to UK Government policy which was further reducing prospective international student numbers.

Action: Develop more ambitious international student growth targets, and to clarify what resources were needed to grow them at pace.

On the admissions system, members were advised that a non-competitive direct tender of a system was needed following APUC advice. Members were advised that it was not felt that the admissions system itself that was behind failure to meet targets, although improvements could and would be made to streamline and improve the process. Members queried what benefits additional investment might bring.

Concerns were raised among members regarding the feasibility of the growth model and the need for a comprehensive review of the broader sectoral landscape. Members highlighted the importance of providing Court with insights into how UHI actively targeted Scottish domiciled and RUK students, especially considering the intense focus and resources other institutions placed on the same demographic.

Action: Develop business case/ options for additional resourcing of admissions to achieve student growth targets for February 2024 meeting

Members **NOTED** the student recruitment and marketing for 2024/25 update.

## **5.2. Financial Sustainability (EO & Academic Partners) report**

*[Davie Sandison and Derek Lewis declared an interest in this item as Academic Partner Board Chairs, and agreed to remain for the item but not be involved in any discussion directly relating to their respective academic partners.]*

Three partner institutions— UHI Moray, Shetland, and Perth—need in-year funding, and discussions had taken place with the Scottish Funding Council (SFC) regarding transition funding for these partners. The intention was to secure £9 million in support from the SFC by the end of January 2024. The SFC has communicated that obtaining this funding would necessitate the development of the Target Operating Model (TOM). Despite this request, SFC have also stressed their support for UHI in

its current composition and were not interested in entertaining any proposal for individual partners to leave the partnership.

Action: Update on transition funding application at the next Court meeting

Regular quarterly reviews of all the partner institutions' financial situations is underway, and clarity that the Regional Strategic Body (RSB) serves as a funding mechanism rather than being considered the lender of last resort for partners.

HISA raised concerns about specific colleges where educational future of students in remote, rural, and island communities was potentially at risk, locations where UHI is often the only local option for many young people. HISA asked how UHI would be informing students about changes in a transparent but realistic way. Members were advised that communication plans were being sought by UHI as the RSB from academic partners where substantive changes were being proposed as part of financial recovery efforts.

Court **NOTED** the Financial Sustainability update.

## **6. Items for Noting/Approval**

### **6.1. 2022/23 Annual Report and Accounts**

Niall McArthur reported UHI had a surplus of £728,000 in 2022/23, with £6.3m of assets.

Court **APPROVED** the 2022/23 Annual Report and Accounts.

#### **6.1.1. Going Concern Statement**

Court were invited to approve the following:

1. That there were no material issues about UHI as a going concern
2. That UHI is not 'lender of last resort' to the academic partners

On item 1, members were advised that there are no material uncertainties. The external audit report had been revised, and there was agreement that UHI is a going concern. Following a meeting with the auditors, minor changes would be made to the accounts, including a minor amendment related to Gift Aid. However, the opportunity to consolidate accounts with academic partners in future years would likely become more pressing, and the audit opinion includes an emphasis on this matter similar to the previous year.

On item 2, members felt that the statement was still deemed capable of multiple interpretations, and the phrase 'not lender of last resort' was considered unclear. Effort should be made to carefully clarify the obligations and responsibilities of UHI limited as a university, UHI's role as an independent charity, and UHI as the Regional Strategic Body, which has no legal obligation to fund the academic partners beyond distributing funding from the Scottish Funding Council and other funding bodies.

Court **APPROVED** delegating authority to Allan Clow and Niall McArthur to sign the accounts on Court's behalf, subject to the aforementioned changes.

### **6.2. UHIRE/MPI Subsidiary Statutory Accounts**

**APPROVED** without further discussion.

### **6.3. 2023 Letter of Comfort and Letter of Representation**

**APPROVED** without further discussion.

**6.4. HISA constitution review document**

NOTED without further discussion.

**6.5. Annual Research Integrity Statement**

APPROVED without further discussion.

**6.6. Annual Audit Committee Assurance**

NOTED without further discussion.

**6.7. Strategic Internal Audit Plan 2023 to 2026 and Internal Audit Annual Plan 2023/24**

NOTED without further discussion.

**6.8. Risk Register and Risk Appetite Statement**

APPROVED without further discussion.

**6.9. EO Current year budget update & cash position**

NOTED without further discussion.

**6.10. Red Button Annual Report**

NOTED without further discussion.

**6.11. Annual Public Bodies Climate Change Duty Report 22/23**

NOTED without further discussion.

**7. Minutes from Committees of Court**

**7.1. Finance & General Purposes Committee 5 Dec 2023**

NOTED without further discussion.

**7.2. Audit Committee 5 December 2023**

NOTED without further discussion.

**7.3. Nominations Committee 4 December 2023 unreserved**

NOTED without further discussion.

**7.4. UHI Foundation 30 November 2023**

NOTED without further discussion.

**8. Any Other Business**

No other business discussed.

**9. Reserved Business**

*[Non-members left the meeting]*

**9.1. Financial Sustainability Contingency Planning**

**9.2. Target Operating Model**

**9.3. EO Restructure and industrial relations**

**9.4. Reserved Court Minutes 1 November 2023**

**9.5. UHI Conference record of 21 November 2023**

**9.6. Principal and Vice Chancellor Recruitment**

**9.6.1. Remuneration Committee 13 November 2023 Reserved**

**9.6.2. Nominations Committee 4 December 2023 Reserved**