

University of the Highlands and Islands

University Court Meeting

26 June 2024 13:00-17:00

UHI Boardroom, UHI House, Inverness and by Microsoft Teams

Draft meeting minutes

Chair: Alastair MacColl

Members: Fiona Mclean (Rector), Alex Paterson (Independent), Allan Clow (Independent), Angus Campbell (FE Regional Lead), Calum Ross (HIE Representative), Davie Sandison (UHI Shetland Chair), Derek Lewis (UHI NWH Chair), Gary Souter (Student Governor), Helen MacInnes (Independent), Malcolm Burr (Independent), Paul Travill (Independent), Poonam Malik (Independent), Rosemary McCormack (Staff Governor), William Campbell (Student Governor)

In attendance: Neil Simco (Deputy Principal), Lorna Walker (Chief Operating Officer), Sheena Stewart (University Secretary), Michael Baxter (Chief Financial Officer), Roger Sendall (Deputy Secretary), Scott Rhynas (Finance Manager), Shannon MacCallum (Observer), Donna Heddle (Head of Research) – in part, Max Brown (Director of Transformation) – in part, Nicholas Oakley (Clerk)

Key: **DECISION**, Action

Meeting minutes

1. Preliminary Items

1.1. Welcome and apologies

Apologies noted from Mei Li Roberts, Heather Offord, and Andrea Robertson. The Chair welcomed Shannon MacCallum as an observer.

1.2. Declarations of Interest

There were no declarations of interest recorded.

1.3. Notification of other business

There was no other business notified.

2. Minutes of Meetings

2.1. Approval of the minutes of 24 April 2024

Court **APPROVED** the minutes of the meeting on 24 April 2024 as an accurate record.

2.2. Approval of Court conference 21 May 2024 report

Court **APPROVED** the conference report of 21 May 2024 as an accurate record.

2.3. Approval of minutes of special meeting 7 June 2024

Court **APPROVED** the minutes of the special meeting on 7 June 2024 as an accurate record.

2.4. Matters arising

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

2.5. Delegated decisions

There were no delegated decisions reported.

3. Principal and Vice Chancellor Update

Vicki Nairn, Principal and Vice Chancellor, provided members with an update since the last meeting. She highlighted ongoing collaboration with RGU and SRUC; a successful Horizon research funding application; and continued good work on research across the university partnership.

Other items included updates on ongoing work with the Scottish Funding Council (SFC) on the operating model work, and updates on changes to management at SFC. Specifically on the outline business case, work was underway to initiate committee oversight of the programme including a proposal for a transformation oversight committee as well as an executive working group, and more formalised project governance structures and processes.

Vicki Nairn reported that Mike Baxter, the Chief Financial Officer, was working with the SFC on financial sustainability for the partnership including the academic partners' recovery and funding packages. Scrutiny and oversight of academic partners' finances was ongoing, and would be bolstered by a repeat of the FGPC-led budget challenge sessions in the next academic year.

On the university ("Executive Office") budget, Vicki Nairn reported the estimated budget gap for 2024/25 was a £3.7m deficit. In order to meet Court's timeline to reach a break-even position, further cost savings were needed.

RESERVED ITEM REDACTED

Vicki Nairn reported that extensive work was underway to capitalise upon opportunities for income diversification and cost savings elsewhere in the university budget, including a renewed cost rationalisation exercise, a reduction in office leasing space, commercial income generation and investment through the Green Freeport, as well as a strategic focus on higher education student recruitment.

Vicki Nairn reported on the changes to the Senior Executive Team, including the pending departure of Professor Neil Simco at the end of July, the appointment of Professor Peter Francis, and the promotion of Lorna Walker to Chief Operating Officer. Shortlisting was underway for a permanent deputy principal.

Vicki Nairn discussed the recent media coverage about the university partnership and actions undertaken to resolve the issues arising from this coverage. A meeting between UHI officers and UHI Inverness Board would follow the Court meeting and updates would be provided to Court in due course. Court members **REQUESTED** that UHI officers reinforce the need for collaborative working and remind all partners of their obligations and responsibilities.

Vicki Nairn highlighted the opportunities for Court members to attend graduation events across the partnership and invited any expressions of interest from members.

Court **NOTED** the Principal and Vice Chancellor's update.

4. HISA Report

William Campbell, UHI Student Association President, provided members with a report on student association activities since the last meeting. All but three officer posts were now filled, and the Trustee Board had approved a co-option policy. Student newsletters had seen improved open rates and were reaching more of the student populace to good effect.

The biggest success were around sports, including national competitions, national awards, NUS and SCVO awards. Other events and activities included a sponsored pride network event, consent workshops, a revised Gaelic language plan and student mental health agreements.

Future plans included summer training with newly elected officers, and the rollout of a pre-arrival email for new students which was already getting good early engagement. Community engagement directors were also working on opportunities across the university partnership's campuses.

Court members thanked Gary Souter for his service on Court and **NOTED** the HISA report.

5. Strategic Items for discussion

5.1. Draft Operating Model Outline Business Case

Max Brown, Director of Transformation, reported on the draft operating model outline business case (OBC). The paper had been updated following the special meeting of Court, and members' feedback was now incorporated.

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Following discussion, members **APPROVED** the draft outline business case and the proposed next steps, and **REQUESTED** an update at the next Court meeting on 03 September 2024.

[Max Brown left the meeting]

5.2. UHI EO Budget 2024/25 including HISA Budget

Michael Baxter, Chief Financial Officer, reported on the university's budget for 2024/25. A three-year position was now included to assist medium-term forecasting. Mike Baxter explained the assumptions, investments, and savings and income generation proposals included in the budget, as well as actions undertaken to review and reconsider savings options, such as vacancy management. The budget model included a provision for staff pay uplift of 3% per annum.

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Work was also underway to review the marketing efforts to expedite the sale of the surplus assets. Members were advised of the position without this asset sale and capital receipt, and that the university would have to reduce net expenditure or reduce its cash balance.

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Members discussed the impact of previous investments authorised by Court, including student recruitment and business development. Members were advised that the economic development investment was scaled back in light of the budgetary challenges; and the current budget was presented to members as a balanced one with opportunities for investment in growth and priority areas set against savings in non-essential activities. Members also requested that all areas of the business be considered in the rationalisation exercise, highlighting as an example the cost of the student residences of £1.6m per year, as well as the opportunities for single services and potential for innovative technological and automation solutions to improve and reduce the costs of service delivery.

University Court **APPROVED** the 2024/25 EO budget and delegated authority to the senior executive team to enact the savings and investment activities.

University Court **NOTED** the HISA 2024/25 budget.

5.3. Research Environment Investment Proposal

[Donna Heddle joining the meeting]

Prof Donna Heddle provided members with an update on the research environment as well as a proposal for investment. The research environment encompasses all aspects of research and research-related activity across the university partnership. A revised research and innovation strategy is under development and will be ready in autumn 2024.

Members **APPROVED** the investment proposal and **AGREED** that research remained fundamental to the success of UHI. Members noted their expectations the university to perform at least as well in the 2029 REF as it did in the last REF exercise. Members **REQUESTED** that key performance indicators also be developed and reported on to measure the impact and success of the university's investment in research environment.

[Donna Heddle left the meeting]

5.4. Moray Growth Deal (MGD) Business Enterprise Hub

Members discussed the Moray Growth Deal Business Enterprise Hub proposal, which required Court's approval and investment totalling approximately £750k over the life of the project. Members **REQUESTED** that a risk assessment, impact assessment, project viability analysis, and a more robust business case before Court could consider approving any involvement or investment in the project, and **NOTED** that in the current financial circumstances Court was very unlikely to approve any investment without a significantly compelling business case.

Action: UHI Officers to advise UHI Moray of Court's decision on the Business Enterprise Hub.

6. Items for noting/ approval

6.1. AP Financial Sustainability 2024/2025 Update

Michael Baxter, Chief Financial Officer, reported on the academic partner financial sustainability update. He reported positive conversations on liquidity support and additional funding from the SFC on VSS costs for UHI Moray, and the use of restricted reserves to assist partners on a loan basis, with repayment returned to the university's reserves. There was a mixed picture across the academic partners' cash flow and financial sustainability, but actions remained ongoing to scrutinize and support academic partners per the university obligations as the regional strategic body.

Members **NOTED** the Academic Partner financial sustainability 2024/2025 update.

6.2. HE Student Recruitment

Members **NOTED** the higher education student recruitment update.

6.3. Proposal to establish a 'people committee' of court

Members **APPROVED** the proposal to establish a people committee as a subcommittee of Court, and delegated authority to the Chair of Court and the University Secretary to define a remit and assign members. Members requested that work be undertaken with HISA to establish how the committee relates to students.

6.4. Appointment of Assigned Incorporated College Board Members

Members reviewed the appointment of assigned incorporated college board members.

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Members were also advised that the **RESERVED ITEM REDACTED** had requested a six month leave of absence. Members were reminded that it was Court's decision to approve sabbaticals, leave of absences, as well as the appointment of acting or interim chairs to the incorporated colleges boards. The Principal and Vice Chancellor and Chair of Court agreed to inform **RESERVED ITEM REDACTED** of this position and work with the **RESERVED ITEM REDACTED** board to find a suitable solution. Court **NOTED** this position.

6.5. Appointment of Academic Council members

Members **APPROVED** the appointment of Academic Council members.

6.6. QAA Quality Enhancement & Standards review update

Neil Simco provided a verbal update on the QAA Quality Enhancement & Standards review, with the draft report indicating the good standing and quality of the university's higher education provision. Members **NOTED** the update.

6.7. University Risk Register

Members **NOTED** the university risk register.

7. Minutes from Committees of Court

7.1. Audit Committee – 29 May 2024 and 13 June 2024

Members **NOTED** the draft audit committee minutes.

7.2. Finance and General Purposes Committee – 30 May 2024

Members **NOTED** the draft Finance and General Purposes Committee minutes and requested a correction to the attendees.

7.3. UHI Foundation -15 May 2024 and 29 May 2024

Members **NOTED** the draft Foundation minutes.

7.4. Nominations Committee – 3rd June 2024

Members **NOTED** the draft nominations committee minutes.

7.5. Remuneration Committee unreserved – 29th May 2024

Members **NOTED** the draft remuneration committee minutes.

8. Any Other Business

9. Reserved Business

[Shannon MacCallum and Scott Rhynas left the meeting]

9.1. College merger funding – Lessons learned Review

RESERVED ITEM REDACTED

9.2. Action short of a strike update

RESERVED ITEM REDACTED

9.3. Remuneration Committee reserved – 29th May 2024

[Sheena Stewart, Mike Baxter, and Lorna Walker left the meeting]

Court **NOTED** the draft Remuneration Committee reserved minutes.

10. Close of meeting

The Chair thanked Prof Neil Simco on behalf of Court for his service to the university and wished him well for his retirement.

There was no other business and the Chair closed the meeting.