

## University of the Highlands and Islands

UHI Court Meeting

Tue 03 September 2024, 13:00 - 17:00

UHI House and MS Teams (Hybrid)

**Members:** Alastair MacColl (Chair of Court) Fiona Mclean (Rector), Alex Paterson (UHI Moray Chair), Angus Campbell (FE Regional Lead), Calum Ross (HIE Representative), Davie Sandison (UHI Shetland Chair), Derek Lewis (UHI NWH Chair), Helen MacInnes (Independent), Malcolm Burr (Independent), Paul Travill (Independent), Poonam Malik (Independent), Rosemary McCormack (Staff Governor), William Campbell (Student Governor), Shannon MacCallum (Student Governor), Mei-Li Roberts (Staff Governor)

**In attendance:** Lorna Walker (Vice Principal and Chief Operating Officer), Sheena Stewart (University Secretary), Michael Baxter (Chief Financial Officer), Roger Sendall (Deputy Secretary), Scott Rhynas (Finance Manager), Max Brown (Director of Transformation), Brian Williams (Interim Deputy Principal), Nicholas Oakley (Clerk), Pamela Barrett and Margaret Antonson (item 5.2), Kevin Sinclair (item 5.3).

Key: **DECISION**, Action

### Meeting minutes

#### 1. Preliminary Items

##### 1.1. Welcome and apologies

The Chair, Alastair MacColl, opened the meeting. Apologies were recorded from Andrea Robertson, Allan Clow, and Heather Offord. The Chair welcomed Shannon MacCallum, Vice President Students' Association, and Professor Brian Williams, Interim Deputy Principal Academic and Research, to their first meeting.

##### 1.2. Declarations of Interest

Angus Campbell and Calum Ross declared interests as HIE directors.

##### 1.3. Notification of other business

Two additional items of business were notified.

#### 2. Minutes of Meetings

##### 2.1. Approval of the minutes of 26 June 2024

Court **APPROVED** the minutes of the previous meeting on the 26 June 2024 as an accurate record.

##### 2.2. Matters arising

The Committee reviewed the matters arising. The following updates were noted:

- The meeting with the Board of UHI Inverness had taken place with a positive outcome. Recruitment for a new Chair of Inverness UHI was underway. Action completed.

- Business Enterprise Hub: Progress was reported on the further development of the business enterprise hub proposal, with a paper expected between meetings. Action: Update at November meeting.
- Establishment of a People Committee: this was in progress, and expected to be concluded by the next meeting of Court. Action: Update at November meeting.
- Arm's-length company: an update was anticipated for the November Court meeting. Action: Update at November meeting.

All other matters were **NOTED** as complete or updated later on the agenda of the meeting.

### 2.3. Delegated decisions

No delegated decisions reported.

### 3. Principal and Vice Chancellor Update

Vicki Nairn, Principal and Vice Chancellor, introduced her report. She reported on strong student survey results, with UHI first in Scotland for post-graduate and sixth in undergraduate experience surveys. Other updates included:

- Inverness and Cromarty Green Freeport had now co-located into UHI House.
- Thematic Vice Principal appointments had been made, with announcements anticipated shortly.
- Budget and financial sustainability remained a key priority in an increasingly tough budget year.

#### RESERVED ITEM REDACTED

- Further education recruitment remained buoyant.
- Partner financial oversight continued at pace, with collaborative working with partner finance directors and stronger relationships forged by Mike Baxter, Chief Financial Officer. FGPC would be resuming partner finance sessions in November 2024.
- The recruitment and appointment of Chairs of Inverness and Moray UHI, as well as recruiting for vacancies in the senior executive team, were ongoing.

On the thematic vice principal appointments, members noted that previous attempts to involve principals of academic partners within the university's executive team had been to mixed success, and asked how the executive planned to ensure these appointments were most effective. Vicki Nairn reported that both the time commitment and the backfilling of the two roles at the partners would ensure these were successful. There was also no direct line management involved in either of the roles, but they would instead complement existing functions and roles within the Executive Office, and help provide effective and inclusive leadership for the university partnership.

#### RESERVED ITEM REDACTED

Members queried the university's involvement in the business enterprise hub project and the wider Moray Growth Deal. Vicki Nairn reported that the university was continuing to assess involvement with the business enterprise hub, and UHI was also involved in Growth Deal workshops scoping new projects.

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

#### 4. HISA Report

William Campbell, HISA President, introduced the HISA report, reporting on activities since the last meeting.

- Summer is the Students' Association's busiest time, and training of the new executive team was underway. All except 4 elected positions were filled, and co-option was being considered to fill these vacancies.
- The student voice representation system was being revised using a new SPARQS SLA training model.
- The priority of HISA remained improved impact and quality at the programme level.
- Clubs and societies continue to be popular with students, with 800 members across the partnership in 2024/25; including 700 returning members that was expected to increase following freshers events.
- CDN training for board members and resources for boards of management on how they can support local officers had been valuable.
- Advice Service: case worker now achieved a housing qualification, and this service remained highly effective.
- Strategic plan was in final stages alongside new KPIs. Trustee Board approval would be sought at the end of September.
- A brand refresh was anticipated, with the expectation to revert to using "HISA".
- An Insight and Democracy Coordinator had been appointed to review policies, elections, and articles and schedules.
- In response to a query on the impact of the block grant funding, HISA reported that a deficit budget had been approved and that no staffing reductions were anticipated. Grant applications and reserves were expected to cover the deficit.

Court recognised the significant contribution of the students' association to the university partnership, demonstrated by the student experience survey results, and **NOTED** and thanked HISA officers for their excellent work.

#### 5. Strategic Items for discussion

##### 5.1. Operating Model Update

Max Brown, Director of Transformation, gave members an update on the operating model. Developing the options appraisal remained the priority focus, alongside ongoing stakeholder consultation. A Transition Oversight Board and Transition Executive Board had both now been established. Development of a five-year budget was underway. A communications protocol had been agreed with partners via Partnership Council. Financial baselines were being developed in conjunction with finance directors.

SET were engaging with SFC on the use of clawback (2022/23) to resource the work. The budget, resource proposition, and phasing and planning work would inform the bid to the SFC for financial support. However, without further resourcing commitments, the timeline would likely drift.

Members discussed the operating model and the update. The following feedback and points were noted in the discussion:

1. The outline business case (OBC) needed to be clear on what the organisation would look like and how it would work.
2. Clarity on how the operating model would be implemented was needed. To this end, better and more detailed mapping was required in the OBC. Feedback from the three-college merger indicated that a 'big bang' approach was difficult to implement and may become a barrier for boards of management to approve. Concerns that the process for implementing the model may be prohibitively disruptive or difficult.
3. There was a continued and ongoing need to demonstrate the benefits to students, stakeholders, staff, and local communities, that goes beyond financial sustainability and encompasses a broader, more ambitious vision.
4. Public sector reform is currently among the governmental priorities, so this and the wider political environment needs to be factored into the discussions.
5. Members welcomed the introduction of a communication plan and asked that HISA be involved in the planning around communications.

Court **ENDORSED** the operating model update, encouraged the executive and programme team to continue to lobby for external resourcing and funding, as well as keep positive momentum on stakeholder engagement.

5.1.1. Updated draft TOB terms of reference - following inaugural meeting.

Court **NOTED** the updated terms of reference.

5.2. HE Student Recruitment

[Margaret Antonson and Pamela Barrett joined the meeting].

Lorna Walker, Vice Principal and Chief Operating Officer, reported on higher education student recruitment. Applications remained broadly consistent with last year. A collective curriculum review was ongoing, and a review of entry requirements was also underway. There was limited scope for immediate improvement via in-year recruitment, so retention efforts will remain the primary focus.

Members queried benchmarking against other HEIs. UHI used UCAS data for competitor information. This year, UHI had done better than the competitor group in applications. There was strong growth in degrees; however, conversion remained the primary issue, in what was an incredibly competitive environment.

Court **REQUESTED** and the executive **AGREED** to Action: Provide a full update on admissions – including marketing, recruitment, admissions process, and retention - for the 2025/26 cycle, for the next meeting of Court.

[Margaret Antonson and Pamela Barrett left the meeting]

5.3. Student Survey Results - Presentation

[Kevin Sinclair joined the meeting]

Kevin Sinclair, Student Engagement Manager, presented the student survey results. UHI was first in Scotland for post-graduate and sixth in undergraduate experience surveys. Further work would be done to analyse the results and areas for improvement, such as sense of community and resources, as well as cognate areas below average. Work would also be undertaken with HISA to help engage with students and overcome and mitigate any areas of concern or issue.

Court **NOTED** and welcomed the excellent results. Court thanked HISA and all staff involved, and commended staff across the partnership for their work to achieve these results.

[Kevin Sinclair left the meeting]

## 6. Items for noting/ approval

### 6.1. University Budget

Michael Baxter, Chief Financial Officer, reported on the university budget and drew Court's attention to the main points.

Members discussed the budget and welcomed the enhanced reporting.

#### **RESERVED ITEM REDACTED**

Members discussed the proposition of growth from other areas beyond student numbers, including the Freeport. Members were advised that diversification of income remained a core priority of the executive team.

Members requested that care be taken if revising student number targets downward, and the potential associated loss of funded places for future years.

Following due consideration, Court **APPROVED** the proposed budget set out and the actions proposed to achieve cash financial balance by the end of 2025-26 and operating balance by the end of 2026-27. Court **AGREED** to delegate authority to institute a Voluntary Severance Scheme by 31 October 2024 consistent with SFC guidelines, subject to regular reporting to Remuneration Committee.

### 6.2. Business Plan

Lorna Walker, Vice Principal and Chief Operating Officer, introduced the operational business plan. A revised business plan would now be produced annually, which would cascade down and inform departmental and faculty plans. Court would be presented a review of the strategic performance indicators annually, every December.

Members welcomed the plan. Members queried how the plan coalesces with academic partner planning, as well as how impact was measured. Feedback was also provided that the plan contained too many actions, and members agreed that condensing the plan into key or core actions would be particularly beneficial.

Court **NOTED** the business plan update.

### 6.3. AP Financial Sustainability 2024/25 Update

Mike Baxter, Chief Financial Officer, reported on the academic partners' financial sustainability.

The latest forecast consolidated adjusted operating position for the university partnership in 23/24 was a deficit of £(13.0)m. The year-on-year movement was heavily influenced by the accrued impact of national pay bargaining.

The latest forecast was +£1.4m better than the mid-year return submitted to the SFC in March 24, and +£3.5m better than the budget submitted in June 2023. This includes savings of +£8.0m delivered across the partnership from deficit mitigation recovery plans, partially offset by one-off

restructuring costs. Some restructure costs have been funded from either SFC restricted funds (held by the RSB) or additional loans from the SFC.

Total estimated savings from voluntary or compulsory severance schemes across the partnership in 23/24 was +£4.4m, with one-off restructure costs of £(2.7)m.

The consolidated university partnership income was £162.7m, of which £97.3m (60%) was sourced from SFC Grants. The sector average for colleges is 78%, and universities 27%.

Individual sessions with academic partner finance directors on budget plans were planned for November 2024.

Court **NOTED** the academic partner financial sustainability update.

Mike Baxter reported that SAMS were experiencing a short-term cash flow issue. Discussions between UHI and SAMS were ongoing to clarify the forecast and phasing of allocations. No additional resources or money were required, but the timing of allocations might need to be adjusted, subject to FGPC approval. Court **NOTED** the SAMS cash flow issue.

Funding of £0.7 million for UHI NWH had already been secured via 2021-22 clawback, and the authority of Court was sought to release this to UHI NWH in support of their recovery plan. Court **APPROVED** this release of funds to UHI NWH. Court had previously approved a loan £3.368 million in July 2023 of which £2.98 million was drawn down in 2023-24 leaving a balance of a net requirement of £0.388 million to be drawn down in 2024- 25. Court **APPROVED** the payment of this loan balance to UHI NWH.

#### 6.4. Going Concern and potential for consolidation of accounts

Mike Baxter, Chief Financial Officer, reported on the annual going concern statement and potential for consolidation of accounts. The paper presented built on advice received last year around the key issues raised by external auditors in their management report, and changes in circumstances around drivers for their assessment. These had been raised to ensure time to fully consider the university's position on both matters.

On going concern, the executive recommended the submission of the statement to the December FGPC and Audit meetings and thereafter to the University Court that, as per last year, "there are no material uncertainties that may cast significant doubt about the company's ability to continue as a going concern." Court **NOTED** this statement, and heard that FGPC and Audit would review these at their December meetings before a formal recommendation was made to Court for inclusion in the annual accounts.

On consolidation of accounts, the university executive recommended that Court continued to maintain the current position that UHI does not exert "dominant influence" over the assigned colleges or incorporated colleges, and therefore they could not be classified as subsidiaries of UHI. This followed the conclusion last year that the university might be close to the margin for consolidation of accounts – via exerting a degree of practical influence over the partners. The university executive sought Court's endorsement to seek further advice from external auditors on the matter. Court **ENDORSED** this approach. Action: Receive further advice from external auditors on consolidation of accounts and submit to Audit and FGPC for further review.

Court **NOTED** the update. Mike Baxter also agreed to consult with FGPC members early on both of these matters.

## 6.5. Appointment of Incorporated College Board members

Court **HOMOLOGATED** the appointments of Alex Paterson as interim chair of UHI Moray, and Dee Bird as interim chair of UHI Inverness.

## 6.6. University Risk Register

Court **NOTED** the University Risk Register without further discussion.

## 6.7. Court membership Updates

Sheena Stewart, University Secretary, presented on court membership updates. Court elections for staff governors had now concluded, with Rosemary McCormack re-elected and Dr Audrey Decou elected. Mei-Li Roberts had chosen not to stand in the election, and Court members extended their gratitude to her for her service on Court, as well as their congratulations to the elected staff representatives.

Consultation with trade unions on Court trade unions representatives had now concluded, with an academic member being selected from EIS, and a professional services member from UCU.

Court **NOTED** these membership updates.

## 7. Minutes from Committees of Court

### 7.1. Nominations Committee – 08 August 2024

Court committee membership updates were advised following the nominations committee on 08 August 2024. Poonam Malik would be stepping down from Court in November 2024. Paul Travill had agreed to take over the chair of Remuneration Committee. Fiona Mclean had also agreed to chair the new People Committee.

Court **ENDORSED** the appointments of these committee chairs.

## 8. Any Other Business

Item 1: The Chair had invited academic partner Chairs and Principals from each AP to attend future Court meetings and discuss their partners.

Item 2: Sheena Stewart, University Secretary, advised that she would be retiring at the end of December 2024.

There was no other business, and the Chair closed the meeting at 16:20.

[ENDS]