

**University of the Highlands and Islands (UHI)**

**UHI Court Meeting**

*Wednesday 06 November 2024, 13:00 - 17:00*

UHI Board Room, UHI House, Inverness and Online via Teams

**Members:** Alastair MacColl (Chair), Andrea Robertson (Vice Chair), Vicki Nairn (Principal and Vice Chancellor), Alex Paterson (Independent), Allan Clow (Independent), Angus Campbell (FE Regional Lead), Audrey Decou (Staff Governor), Brian Williams (Interim Deputy Principal), Calum Ross (HIE Representative), Davie Sandison (Chair: UHI Shetland), Derek Lewis (Chair: UHI North, West, and Hebrides), Fiona McLean (Rector), Helen MacInnes (Independent), Jem Taylor (Trade Union Representative: UCU), Lorna Walker (Chief Operating Officer and Vice Principal), Malcolm Burr (Independent), Michael Baxter (Chief Financial Officer), Paul Travill (Independent), Poonam Malik (Independent), Roger Sendall (Deputy Secretary), Rosemary McCormack (Staff Governor), Shannon MacCallum (Student Governor), Sheena Stewart (University Secretary), William Campbell (HISA President)

**In attendance:** Pamela Barrett (UHI EO), Max Brown (UHI EO), Scott Rhynas (UHI EO), Rosemary Allford (UHI Argyll), and Elaine Munro (UHI Argyll), Nicholas Oakley (Clerk).

Minute Key: **DECISION**, Action

**1. Preliminary Items**

**1.1. Welcome and apologies**

The Chair opened the meeting and noted the apologies from Heather Offord.

**1.2. Declarations of Interest**

Allan Clow, Angus Campbell, and Callum Ross declared interest as members of the Highland and Islands Enterprise (HIE) board. Derek Lewis declared an interest in item 5.4 as Chair of UHI North, West, and Hebrides. Alex Paterson declared an interest in item 5.3 as interim Chair of UHI Moray.

**1.3. Notification of other business**

No other business was notified.

**1.4. Academic Partner Presentation: UHI Argyll**

Rosemary Allford, Chair of the Board of UHI Argyll, and Elaine Munro, Principal of UHI Argyll, made a presentation to members on UHI Argyll. Their presentation covered UHI Argyll's curriculum, strengths, challenges, risks, and opportunities, and its place, role, and purpose within the unique region and local community.

Members welcomed the opportunity to discover more about UHI Argyll. Court commended Rosemary and Elaine on the highlighted work and strengths of UHI Argyll in providing educational pathways to local communities, meeting local social needs, adapting to the skills agenda and employment situation, and finding ways to overcome demographic challenges as well as responding to increased competition from regional competitors. Another challenge reported was the need to adapt the curriculum offering to meet industrial demand and strategy, particularly in

renewables and construction, and translating this industry requirement into tangible student demand.

In discussion on the benefits of partnership working, UHI Argyll representatives noted the importance of local staff in providing pastoral support directly, reinforced by strong partnership resources, knowledge, and capacity to ensure the best welfare and wellbeing experience for students. An opportunity for a more connected and collaborative approach to further education strategy and operations was reported as likely to have a substantially positive impact on UHI Argyll. Rosemary and Elaine also emphasised the importance of local voices in decision-making processes and the vital importance of local provision, services, and support provided to UHI Argyll's students and communities. UHI Argyll remained actively involved in, committed to, and supportive of the wider change programme at UHI via the operating model work and welcomed opportunities for a more integrated UHI.

Court **NOTED** the UHI Argyll update.

## **2. Minutes of Meetings**

### **2.1. Approval of the minutes of 03 September 2024**

The minutes of the previous meeting on 03 September 2024 were **APPROVED** as an accurate record.

### **2.2. Matters arising**

The matters arising from the previous meetings were **NOTED** as complete or updated on the meeting agenda.

### **2.3. Delegated decisions**

No delegated decisions reported.

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

Vicki Nairn, Principal and Vice Chancellor, provided an update report on activities since the last Court meeting.

1. On the outline business case for the operating model, Vicki Nairn advised members that, at the most recent Transition Executive Board (TEB), "option 6", or full integration into a single institution, had emerged as the option with the most merit and support. An application to the Scottish Funding Council (SFC) for £1.7m for initial development funding had been made, with a decision still awaited. [REDACTED]. The University's Executive Office (UHI EO) budget was currently funding the transformation work to date.

In the discussion on the operating model, the following key points were noted:

- 1.1. In response to a query regarding political and ministerial engagement and support for the work, Vicki Nairn advised that positive indications had been received from the minister, and that the key priority was to ensure and demonstrate a collaborative partnership approach that included the partnership returning to financial sustainability. Wider political engagement was ongoing at a general level, but more detailed briefings awaited decisions on the preferred model and clear directives from the partnership.
- 1.2. Improved and continued transparency on the financial situation across the university partnership would be crucial in engagement with the Scottish Government and the SFC in order to clarify the risks, barriers, and opportunities for change.

### 1.3. [REDACTED]

A further session on the operating model at the upcoming UHI Court conference was **AGREED**. Returning to other matters in her update, Vicki Nairn also reported that:

2. The voluntary severance scheme at UHI EO was due to be launched imminently. Vicki Nairn noted that this was the third redundancy scheme – and the second voluntary scheme – in 16 months, but was necessary to meet the significant financial challenge UHI EO continued to face and meet Court’s approved budget plan.
3. [REDACTED: commercially sensitive]
4. Financial reviews meetings including UHI EO senior officers and the Chairs of Audit and Finance and General Purposes Committees were ongoing and were providing valuable insight and information on academic partners’ finances and recovery plans.
5. The impact of announcements in the UK budget regarding national insurance employer contribution increases were still being analysed, but representations were being made on behalf of UHI by Universities Scotland to seek to reduce the impact on the sector and the institution. Early forecasting indicated an additional burden of £2.5m for the whole partnership. HISA requested that student unions also be included in the university’s lobbying for relief or exemption.
6. Members discussed and **AGREED** that key measures of financial and operational performance be presented to Court to assist with monitoring against objectives and the performance of the partnership. This will include measures covering the whole university partnership. Action: Key performance indicator dashboard presented to Court as a standing item.

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

## 4. HISA Report

William Campbell, HISA Regional President, provided an update report on HISA activities since the last meeting. Members discussed the update and welcomed the impact report, new strategic plan, and particularly the excellent student voice representative recruitment rates which demonstrated huge progress and permitted enhanced engagement across the partnership. Court **NOTED** the HISA report.

## 5. Strategic Items for discussion

### 5.1. Operating Model Update

Max Brown, Director of Transformation, provided a further substantive update on the operating model work and the preparation of the outline business case (OBC). [See item 3.1 above for preliminary discussion]. In the update, Max Brown, assisted by UHI senior officers, reported the following updates:

1. The development of all academic partner principals agreeing to “option 6” – a fully integrated single institution – was significant and marked real progress in the project.
2. Understanding and mitigating the barriers, particularly around legislative requirements, funding, timelines, legal and employment issues, union consultation, and pensions, was now the pressing priority and remained essential to ensure progress once the OBC was completed and agreed.

3. Financial and staffing reporting by the academic partners, whilst somewhat improved since the last report, remained an ongoing issue and continued to impede work to analyse the partnership's resources for inclusion in the outline business case.
4. [REDACTED]
5. There was discussion on whether options 3 and 4 were themselves operating model "options", or instead ought to be considered milestones or processes towards implementing option 6. Furthermore, options 3 and 4 in the outline business case, and particularly option 3 (seek change within the current structure), ought to be investigated further despite endorsement of option 6 by the Transition Executive Board. Members requested that all of the options should be modelled in the OBC in as much detail as possible to ensure transparency in decision-making.
6. [REDACTED].
7. More detail was still needed on the timescales for approval, stakeholder consultation, and particularly detail about Academic Partner Board of Management engagement. Further detail was also requested on the transition from the outline business case to the full business case.

Members discussed and **AGREED** that a dedicated session be used at the Court conference on 26 November 2024 for members to consider these updates, to receive a progress update and strategies for reaching consensus on preferred option, as well as more information about options and powers available to the UHI Court as the Regional Strategic Body in the event of any failure to reach general agreement.

## 5.2. Student Numbers and Growth

Lorna Walker, Chief Operating Officer and Vice Principal, made a presentation on higher education student numbers and growth, focusing on actions taken, a recruitment overview, proposed mitigation, curriculum development, and strategies for increasing student recruitment. As part of the presentation, proposals for investments in various student recruitment areas, such as website development and team realignment, were recommended for approval, at a total cost of approximately £1m.

Members discussed the investment proposal in light of previous commitments made by Court at previous meetings to increase investment in this area, as well as approval for an integrated approach to recruitment and marketing. Members recognised the significance and importance of higher education student recruitment in the overall financial sustainability of the university partnership but especially UHI Executive Office, which was particularly sensitive to fluctuations in higher education student numbers arising from underperforming recruitment as well as retention rates. Members were keen to understand the potential returns of any further investment as well as the progress, expenditure, and returns arising from additional investment previously approved by Court.

Members thereafter **AGREED** that further discussion be held on student recruitment and investment opportunities at the Court conference on 26 November 2024.

[Malcolm Burr left the meeting at 15:45]

## 5.3. Moray Growth Deal: BE Hub

[Alex Paterson declared an interest as acting Chair of UHI Moray]

Mike Baxter, Chief Financial Officer, provided an update on the Business Enterprise Hub, a proposed project part of the Moray Growth Deal. The proposal involved a phasing of investment from 2027/28, with the university acting as project guarantor. UHI Moray would be encouraged to raise additional funds from the private sector, and controls and measures to ensure appropriate oversight and governance of the project would be implemented.

Following due discussion Court **APPROVED** the proposal to support the Business Enterprise hub per the conditions, controls, and assurances recorded in the associated paper.

#### **5.4. Nigg Skills Academy**

*[REDACTED: commercially sensitive]*

#### **5.5. Commercial subsidiary**

Sheena Stewart, University Secretary, reported on progress of the commercial subsidiary, and noted that a review in early 2025 was anticipated following a full review of the current UHIRE subsidiary. Court **NOTED** the update.

### **6. Items for noting/ approval**

#### **6.1. UHI EO Financial Update**

Court **NOTED** the UHI EO Financial update without substantive discussion.

#### **6.2. AP Financial Sustainability 2024/25 Update**

Mike Baxter, Chief Financial Officer, provided members with an update on Academic Partner (AP) financial sustainability. In addition to the details reported in the attached paper, he highlighted ongoing financial review meetings between UHI officers and UHI AP finance directors. Mike Baxter also reported that the previously approved second tranche of liquidity support to SAMS was now no longer required.

Court **NOTED** the AP Financial Sustainability 2024/25 Update

#### **6.3. Business Plan Update**

Lorna Walker, Chief Operating Officer and Vice Principal, reported on progress on the business plan update. Court **NOTED** the update.

#### **6.4. Appointment of Assigned College Board members**

Court **HOMOLOGATED** the appointment of the Chairs of UHI Inverness and UHI Moray as well as the independent members as outlined in the paper.

*[Helen MacInnes left the meeting]*

#### **6.5. University Risk Register and update**

Court **NOTED** the University Risk Register and update. Members **REQUESTED** that at the next review work be done to review and uplift the financial thresholds in light of inflationary pressures.

#### **6.6. People Committee Terms of Reference/ Update**

Sheena Stewart, University Secretary, provided an update on the People Committee terms of reference, noting a change to the name of the committee to People and Culture committee to better reflect the nature and remit. Members requested and **AGREED** that the new People and

Culture committee review its terms of reference at its first meeting before returning to Court for approval.

## **7. Minutes from Committees of Court**

### **7.1. Audit - 17 September 2024**

Members **NOTED** the minutes of the above committee of Court.

### **7.2. Nominations - 23 September 2024**

Members **NOTED** the minutes of the above committee of Court.

### **7.3. Transition Oversight Board - 23 September 2024**

Members **NOTED** the minutes of the above committee.

### **7.4. Partnership Forum - 24 September 2024**

Members **NOTED** the minutes of the above committee.

### **7.5. Finance and General Purposes Committee - 01 October 2024**

Members **NOTED** the minutes of the above committee of Court.

## **8. Any Other Business**

There was no other open business.

## **9. Reserved Business**

### **9.1. Remuneration Minutes 23 September 2024- Reserved**

[REDACTED]

### **9.2. Senior leadership review- Reserved**

[REDACTED]

ENDS

**Approved on: 12 December 2024**

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