

# University of the Highlands and Islands

University Court

17 June 2020, 14:00 to 16:00

By VC Webexspace

## Present

### Board members

Garry Coutts (Chair), Fiona McLean (Vice Chair), Crichton Lang (Interim Principal and Vice Chancellor), Andrew Rogers (Chair FGPC), Willie Printie (Chair Audit Committee), Anton Edwards (Rector - Chair of Foundation), Alan Simpson (HISA President), Rosemary McCormack, Alistair Dodds, Andrea Robertson, Gareth Davies, David Sandison, Kirsty Macpherson, Michael Foxley, Linda Kirkland, Poonam Malik, Sarah Helps, Brian Crichton, Sara O'Hagan, Malcolm Burr, Stuart Gibb (Vice Principal - International), Neil Simco (Vice Principal Research & Impact), John Kemp (Vice Principal Further Education), Gary Campbell (Vice Principal - Strategic Development), Lydia Rohmer (Vice Principal - Tertiary), Fiona Larg (Chief Operating Officer & Secretary), Roger Sendall (Director of Corporate Governance), Niall McArthur (Director of Corporate Resources)

## Meeting minutes

### 1. WELCOME & APOLOGIES

The Chair welcomed Mr Malcolm Burr who had returned to Court as a new member to replace Mr Burns as an appointee representing the regions local authorities.

The Chair advised that Dr Diane Rawlinson had recently resigned from the University. The Court thanked Dr Rawlinson for her efforts and successes in developing and promoting Further Education priorities. It was noted that Mr John Kemp would now take on the role of Vice Principal Further Education 0.5 FTE with immediate effect.

The Chair then explained that this would be the last scheduled Court meeting for Mr Andy Rogers as Mr Rogers would complete his final term of office with the Court at the end of July 2020. It was noted that Mr Rogers had been proactively involved and engaged with the formation and development of the institution since 2004. Court recorded its huge appreciation and gratitude for his selfless commitment and dedication to the advancement and establishment of the University for the region and its communities.

 Court Agenda 17 June 2020.pdf

#### 1.1. Apologies

Apologies were received from Heidi May and Lesley Cole.

#### 1.2. Declarations of Interest

Court noted that Dr Brian Crichton had an interest in item 6.1 on the basis that he was the Chair of Perth College UHI and that he would not participate in the discussion of this item.

#### 1.3. Notification of other business

- Equality and Diversity Policy - Position statement

#### 1.4. Starring

Item 9.1 was starred for discussion.

## 2. MINUTES OF MEETINGS

### 2.1. Approval of minutes of 18 March 2020

The minutes of the meeting held on 18th March 2020 were reviewed and approved.

 UC20-026 Court minute18032020 part 1.pdf

 UC20-026 Reserved extract Court minute 18032020.pdf

## 2.2. Matters Arising

Matters arising from the previous meeting were discussed. The following points were noted:

- Review of Relationship with Incorporated Colleges - Action complete, the Audit and FGPC committees had held a joint meeting on 4th June 2020 and had received an independent report from MHA Henderson Loggie regarding the potential requirement for the University to prepare consolidated accounts with the five incorporated colleges.
- Academic Council - Court noted that a planned review of the membership and terms of reference of Academic Council had been postponed as a result of the ongoing coronavirus pandemic. Work on this matter would be progressed in due course.
- Academic Partner Agreements - Court noted that good progress was being made on finalising the agreements, it was noted that some technical details were being finalised by the University's lawyers in relation to intellectual property rights to ensure consistency with policy frameworks and it was anticipated that the updated documents would be ready for formal approval before the end of the current academic year.

 UC20-027 Matters Arising.pdf

## 2.3. Review of Delegated Decisions

None.

## 2.4. Minutes from Committees of Court since last Court meeting:

The chair invited the chairs of committees of court to each provide a brief report in connection with their most recent meetings.

### 2.4.1. Audit Committee

Lydia Rohmer

The chair of the audit committee reported on a meeting held on 25th May. The following points were noted:

- The committee had considered issues surrounding an Improvement Plan issued by Skills Development Scotland (SDS) in relation to the administration of modern apprenticeship programmes and associated risks to income. It was noted that management were confident that actions identified within the plan would be completed in good time to ensure that future grant income was secured.
- The Vice Principal Tertiary advised that the college sector currently had a poor relationship with SDS on the basis that SDS had been withholding grant income, whereas, the Scottish Funding Council was encouraging full distribution of funds irrespective of whether or not colleges met delivery targets in the context of the current covid19 situation. Intensive discussions were progressing through Colleges Scotland in an effort to resolve this situation and to improve relations with the sector.

Court noted that Dr Malik who was a member of the Board of Skills Development Scotland would discuss the issue with the Vice Principal Tertiary outside of the meeting in an effort to better understand and to assist with resolving identified concerns.

- The Audit Committee was discontent with the significant increase in the external fee proposed by Ernst and Young for provision of external audit services and had directed management to challenge the fee presented.

 UC20-028 Minutes\_Audit Committee\_250520.pdf

#### 2.4.2. Finance and General Purposes Committee

The chair of the finance and general purposes committee reported on the meeting held on the 4th June 2020. The following points were highlighted:

- The committee had highlighted the critical importance of focusing management effort on optimising recruitment and maximising student progression in 2020/21 in order to maximise core SFC grant income in a challenging financial climate.
- The committee had discussed the draft University budget for 2020/21. The budget was presented to Court for consideration and approval today within item 7.1 of the Court meeting papers. FGPC had considered the projected deficit position within the budget and the intention to allocate up to £3.7M of University reserves within the years. FGPC was worried about over reliance on accessing reserves and identified an urgent requirement to identify and coordinate significant strategic savings across the partnership during 2020/21.
- The University has engaged specialist student accommodation consultants Cushman and Wakefield to progress additional work in relation to the University's student residences contracts and operations. This work will include consideration of the possibility to restructure existing contractual relationships and will also examine potential for the University to bring greater control for operating student residences in-house.

[UC20-029 v2Minutes\\_Finance & General Purposes Committee \(FGPC\)\\_040620 \(1\).pdf](#)

#### 2.4.3. Joint meeting of Audit and Finance and General Purposes committees

The chairs of the finance and general purposes and audit committees provided Court with a report in connection with a joint meeting held on 4th June 2020 at which they had received a report from MHA Henderson Loggie in connection with their independent report titled "Strategic advice regarding the potential consolidation of UHI accounts with the five incorporated colleges." Court noted that there was currently no requirement to consolidate the University's accounts with any of the five incorporated colleges on the basis that the University did not have dominant influence over them. Both chairs reported that the report was extremely helpful in terms of providing a clear analysis of the circumstances that may require consolidation in the future and in terms of explaining the key differences between the University and other regional strategic bodies.

[UC20-030 Minutes\\_Joint Audit & FGPC Committee meeting\\_040620.pdf](#)

#### 2.4.4. Regional Strategy Committee

The chair provided a brief report in connection with the first Regional Strategy Committee meeting that was held on 5th May 2020. The chair advised that discussion had focused on three key issues and activities; the partnership response to the Covid19 pandemic, development of aligned financial services and a review of the current Resource Allocation Methodology and curriculum.

[UC20-031 Minutes\\_Regional Strategic Committee \(RSC\)\\_050520.pdf](#)

#### 2.4.5. Academic Council/Activity Report

Court noted a report summarising the meeting held on 11th March 2020. .

[UC20-032 AC Officers Report 11 Mar 20 CWL.pdf](#)

#### 2.4.6. Nominations Committee

Court noted the minutes of the meeting held on 22nd April 2020.

It was noted that the Chief Operating Officer and University Secretary would circulate a note following the meeting to seek to identify an additional academic partner chair to attend and observe court meetings.

[UC20-033 Minutes\\_Nominations Committee\\_220420.pdf](#)

#### 2.4.7. Remuneration Committee

Court noted the minutes of the meeting held on 5th June 2020.

[UC20-034 Rem comm minutes0620.pdf](#)

Fiona Larg

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### 3. CHAIRMAN/PRINCIPAL'S COMMENTS

### 3.1. Quarterly Status Report

The Principal and Vice Chancellor provided Court with a verbal report in connection with the activities, challenges and key priorities that were occupying management and staff time over the past three months in accordance with the partnerships crisis management approach to ensuring business continuity throughout the current pandemic. The following points were noted:

- The P&VC highlighted the significant commitment of staff and the huge efforts that had and continued to be made across the University to initially move activities off campus, to implement academic adjustments, to plan for next year and to support students in very challenging circumstances.
- Court noted and welcomed the quarterly activity reports provided by members of the senior management team and academic partners with two omissions (Inverness and Argyll colleges). Court was pleased to note the many positive projects and initiatives that were being progressed across the region.
- Student/Digital poverty issues were identified as particular challenges that required to be addressed.
- The University had been awarded an uplift of £918k additional research funding

 UC20-035 June 2020 SMT and AP quarterly report.pdf

### 3.2. Post Covid-19 crisis management plan and evaluation of executive office

Court discussed and endorsed the work streams and activities described within paper UC20-036 setting out consolidated actions that were intended to address and implement recommendations from the Executive Office review process and the university partnership's response to the ongoing Covid19 situation whilst also continuing to progress the University's agreed change programme.

The following key points were noted:

- The crisis management plan was an evolving dynamic document and further work was required to identify all the strategic leads, key milestones and target deadlines. It was reported that an updated document would be presented to a special partnership meeting planned for 1st July 2020 to be attended by members of Court, Academic Partner Chairs and senior managers.
- There was still a great deal of uncertainty in relation to when and how far the current social distancing restrictions would be relaxed and to what extent these requirements would impact new student recruitment activity and progression students in 2020/21.
- A review of the University's higher education curriculum and capacity to run courses had been completed. The results of this survey were broadly positive and indicated that the vast majority of HE courses could progress and be delivered in 2020/21 with minimal adjustments to delivery.
- A review of the further education curriculum was currently being progressed. Court noted that a number of FE courses require a significant element of face to face/practical teaching particularly in areas such as construction and hair dressing and appropriate adjustments are being considered and discussed by partners.
- The primary aim of management for 2020/21 is to optimise student recruitment and progression and to secure and retain as much core grant as possible.

 UC20-036 Court paper on EOE and plan CWL.pdf

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## 4. COMMITTEES & MEMBERSHIP

### 4.1. Recruitment of new Principal & Vice Chancellor: update

Court noted paper UC20-037 providing an update on progress with the recruitment process for a new Principal and Vice Chancellor.

 UC20-037 recruitment update.pdf

### 4.2. Independent Members Appointments to Assigned College Boards - Re-appoint to assigned college board

Court homologated the recommendations contained within paper UC20-038 as agreed by email circulation on 15th May 2020.

 UC20-038 ACB 11052020.pdf

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## 5. STRATEGY & PLANNING

## 5.1. Critical Performance Indicators/KPIs

Court noted paper UC20-039 provided by the Head of Marketing and Planning comprising a summary of performance against the University's defined Critical and Key Performance Indicators dated 17th June 2020.

 UC20-039 CPI June reports on CPI and associated KPIs .pdf

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## 6. GOVERNANCE & RISK

### 6.1. \*Perth College UHI: Action Plan

The Chair reported that he had attended a good meeting with members of the Perth College UHI Board of Management to review and discuss progress with the internal audit action plan that was considered and endorsed by the Court on 18th March 2020.

The Chair advised that the Perth college board were well sighted on the issues and actions contained within the action plan and that he had been reassured as a result of the meeting that appropriate actions were being progressed to resolve the identified issues and concerns.

Court noted that a lessons learned document was currently being finalised and that this would be shared with all academic partners in due course.

### 6.2. Risk Management

Court noted paper UC20-040 provided by the Director of Corporate Governance providing a summary of identified risks and common risk scores exported from the partnerships risk management database on 15th May.

 UC20-040 Risk Management.pdf

### 6.3. Student Residences update

The Court noted paper UC20-041.

 UC20-041 20200610 Residences Update.pdf

### 6.4. Remuneration policy

The Court approved the updated Remuneration Policy as recommended by the Remuneration Committee - reference POLO60 - UC20-042.

 UC20-042 Remuneration policy 0620.pdf

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## 7. FINANCE AND PERFORMANCE

## 7.1. \*2020/21 University Budget

The Director of Corporate Resources presented paper UC20-043 comprising the recommended University budget for Executive Office for 2020/21 that was prepared in accordance with the Scottish Funding Council's announcement of final grant awards dated 7th April 2020. The following points were noted:

- The Finance and General Purposes Committee (FGPC) had considered the recommended budget on 4th June and had requested that management identify significant additional savings. The budget presented identified a collective partnership deficit of £7.4M that would need to be supported from University reserves in 2020/21.
- The education sector was facing significant uncertainty as a result of the coronavirus pandemic and this was compounding preexisting financial challenges. There was a clear need to identify and implement significant cost savings across the university partnership and FGPC had agreed that these must be made in a strategic, coherent and consistent manner across the whole partnership as opposed to just reducing executive office/core functions.
- It was important to develop a platform for growth in 2021/22 and to avoid uncoordinated cost cutting that would risk weakening the institution and damage future capacity.
- Management are currently seeking to identify and implement savings through the following initiatives, a voluntary severance scheme for executive office, restricting discretionary spend, a freeze on recruitment and a reduction in strategic investments unless demonstrably beneficial to post covid19 recovery.

The budget was formulated in accordance with the following assumptions:

- Scottish Funding Council HE and FE grant allocations as communicated on 7th April 2020.
- No cost of living increase for executive office staff, however, all contractual spinal increment increases were provided for.
- Employer pension contributions rates of 18.5% for LGPS and 21.1% for USS pensions.
- a £3.7M investment from reserves primarily to address the impact of Covid19 on student rental income.

The following key risks were noted:

- A potential requirement to repay SFC core grant income if the University experienced a drop in student recruitment of more than 5%.
- Potential impact of an extension to the Covid19 lock-down period on receipts of grant income.

Following due consideration the Court agreed to approve the budget as presented, however, it was noted that the Finance and General Purposes Committee would require sight of more specific information and detail about planned savings including targets and timescales.

 UC20-043 UHI EO Budget 2020 -2021.pdf

## 7.2. \*Academic Partner Financial Monitoring

Court noted the report UC20-044 providing a summary of academic partner management accounts for quarters two and three and cash flow analysis for the five incorporated colleges for the period ending 31st May 2020.

 UC20-044 AP Financial Monitoring.pdf

## 7.3. AP Mid-Year Financial Forecast returns 2019/20

Court noted paper UC20-045.

 UC20-045 SFC Revised MYR 19-20.pdf

## 7.4. 2019/20 Q3 Management Accounts

Court noted paper UC20-046.

 UC20-046 & 047 - Q3 Management Accounts and Outturn Fcast.pdf

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## 8. REPORTS & CIRCULARS

### 8.1. HISA Report

Court thanked the outgoing student President Mr Allan Simpson for his excellent service and contribution to Court business and for helping to enhance the student experience for all further and higher education students through HISA.

 UC20-048 HISA update and funding.pdf

### 8.2. DATE OF NEXT MEETINGS:

Partnership Special Meeting - 1 July 2020

University Court Meeting - 23 September 2020

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## **9. ANY OTHER BUSINESS**

### **9.1. Equality and Diversity Policy - Position statement**

Roger Sendall

The Principal & Vice Chancellor reported that he would be issuing a public statement within the next few days to set out the University's commitment to equality and diversity and the actions that the University was taking to try to develop and promote a more inclusive society. It was noted that Court would receive a presentation on this topic at its next meeting.

### **9.2. Staff Communication**

It was noted that Court wished to acknowledge and thank all staff for their collective efforts to support students and to maintain operations in the context of the unprecedented challenges associated with the coronavirus pandemic over the past quarter. Court noted that the current financial climate with the prospect of no pay increases and the forthcoming implementation of voluntary severance initiatives would be likely to create concerns for some staff who may be working remotely with potentially challenging personal circumstances and that as employers the University and academic partners had a duty of care to support its staff.

