

University Court

Mon 3 July 2023, 15:30 – 16:30

By VC (Microsoft Teams)

Board members

Alastair MacColl (Chair), Angus Campbell, Derek Lewis, Murray Easton, Rosemary McCormack, Vicki Nairn, Helen McInnes, Alex Paterson, Poonam Malik, Alex Paterson, William Campbell and Andrea Robertson

In attendance

Sheena Stewart, Scott Rhynas, Gary I Campbell

Meeting minutes

1. Preliminary Items

1.1. *Welcome and apologies

The Chair opened the meeting and noted the apologies from Heather Offord, Calum Ross, Mei Li Roberts, Sara O Hagan, Fiona Maclean and Allan Clow. He thanked all present for attending this special meeting of Court.

1.2. *Declarations of interest

Declarations of conflict of interest or potential conflict of interest were reported by two members: Derek Lewis with respect to item 2.2 as Chair-designate of the merged college and Angus Campbell with respect to the same item in terms of his role with HIE. Court noted this and agreed that both would remain present at this part of the meeting.

1.3. *Notification of other business

There was no other business notified.

1.4. *Starring

No changes to the starring were requested.

2.1 * University Budget 23/24

Vicki Nairn, Interim Principal and Vice Chancellor, introduced the above paper, which reflected options prepared by the senior executive team to address the budget deficit following discussion by Court at its meeting on 21 June 2023 with the implications for the budget and for operational delivery. She intimated that the executive team were recommending that Court accept option 2 (Staffing savings of £3m and non-staff savings of £1m) as set out within the paper, which would allow the Executive Office to move strongly towards a break-even budget whilst supporting the implementation of new UHI strategy and ensuring financial sustainability.

Members then discussed the proposals at length, with the following points being made:

- A number of members welcomed option 2 as being closest to that version of the draft budget for 2023/24 which had been endorsed by the finance and general purposes

committee at its meeting on 1 June 2023 (£4m of staff savings and £1m of non-staff savings); noting that, whilst challenging, it was important to tackle financial sustainability as expeditiously as possible and in order not to prolong the pain of making savings. These members, who were also members of the finance and general purposes committee, noted that it was bold, a good example to the rest of the UHI partnership, and there was confidence in management to deliver.

- One member of court felt that they would like to understand the rigour that the committee had given to their deliberations, noting for example that the paper did not describe the additional income being sought to address the question of what proportion of unfunded research UHI should be prepared to accept. In this context, it was noted by others that the UK higher education funding model was such that no research activity, essential to a university, was fully funded. The member also felt that court could not be assured that the target cuts would still deliver an Executive Office with an appropriate level of functionality. *[In the context of this discussion, the chair requested that respectful language be used and the member clarified that their comments were made with respect to outcomes rather than, as appeared, to senior officers. The chair thanked the member for their clarification.]*
- At this point the chair invited the chair of the finance and general purposes committee and the Interim PVC to address both matters raised.
- The chair of the finance and general purposes committee noted that this committee had tested the proposals from management diligently and that, with the majority of executive office costs being on staffing, there was limited room to seek reductions elsewhere; and decisions had to be made in order to get the Budget back to break-even.
- The Interim Principal and Vice-Chancellor intimated that she was clear that the senior executive team could deliver the budget and maintain the functionality of EO. She added that there were a number of legacy issues to be addressed within Executive Office as well as a general environment of rising costs and legacy issues with regard to HE student recruitment, so it was essential that the position was closely managed. She noted that the UHI 2024 transformation project Executive Office workstream was reviewing the needs of the Academic Partners from EO as well as the Regional Strategic Body role of EO in order to right-size for the future and for the delivery of the UHI strategy; and she emphasised that the senior executive team had this at the forefront of their thinking.
- Court noted that assurances provided by the chair of the finance and general purposes committee and the Interim PVC.

Court thereafter resolved to:

Approve option 2 set out in the paper, being a £3m cut to staff costs and a recurring non-staff cost saving of £1m – generating a combined annualised recurring saving of +£4.0m and requiring an investment from cash reserves of up to £2.5m to fund the restructure and organisational redesign.

2.2 UHI Outer Hebrides Campus Re-Development

[Secretary's note: a number of members of Court had earlier declared a potential or perceived conflict of interest with regard to this item as noted above.]

The above item was introduced by Gary I Campbell, who provided Court with the background to the matter. The Outer Hebrides Campus Redevelopment Project (OHCR) is a project within the Islands Deal. It is being led by UHI Outer Hebrides with UHI as the ultimate financial Obligant. This was the first of the Islands Deal projects to reach Full Business Case stage and is seen by both the Scottish and UK Governments as an important political and economic milestone for the Islands Deal.

Court members requested clarification on a number of matters including financial exposure (it was a fixed price contract); noted the potential for the project to improve the student experience; and noted the need for such matters to come to Court in good time from Partners. Further details of the proposed project management arrangements were provided to Court.

Thereafter, Court **resolved** to approve the final funding package for the Islands Growth Deal Outer Hebrides Campus project on the condition that is flat cash funding and no more cash will be available from UHI for the duration of the project, and any additional funding will need to be met by the new college. This is also subject to UHI having overall project management oversight. Court also **resolved** to approve the appointment of the contractors by UHI OH.

DRAFT