

**MINUTES OF THE MEETING OF THE BOARD OF MANAGEMENT**  
**held on Wednesday 1<sup>st</sup> August 2023 at 4.15 pm over Microsoft Teams**

<b>Present</b>	Derek Lewis, Board Chair (the Chair) Lydia Rohmer, Principal Designate Chris Alliston, independent member Ian MacEachern, Independent Member Judith Crow, Independent Member Michael Foxley, Independent Member Neil Hope, Independent Member Sarah Fraser, Independent Member Shona MacDougall, Independent Member Diana MacLeod, Staff member (from item 6) William Campbell, HISA representative
<b>In attendance</b>	Anne Frater, EIS-FELA Union observer Cassandra Greenford, Unison observer Debbie Miller, Principal, Vice Principal (Operations) and Senior Responsible Officer, North Highland Derek Bond, Director of Finance Fiona Sinclair, Transition Board Secretary and Governance Professional Hannah Ritchie-Muir, Vice Principal (Academic) and Senior Responsible Officer, Outer Hebrides Helen Aird, Merger Marketing and Communications Lead Keith Coyne, Assistant Director (Engagement) SFC Lynn Thrower, Programme Manager, Transformation Team, UHI Sheena Stewart, University Secretary, UHI

**Meeting minutes**

**1. Welcome and apologies for absence**

The Chair welcomed members and observers to the first meeting of the Board of Management of UHI North, West and Hebrides. The Chair paid tribute to the significant achievement of the merger project, and suggested the Board now focus on the next steps and the work that lies ahead. He noted that Sheena Stewart was present at the meeting representing Vicki Nairn, UHI Vice Chancellor and Principal.

Apologies for absence had been intimated on behalf of Board members, Carl Haberl, Fiona Kolontari and Shannon MacCallum, and on behalf of Vicki Nairn, UHI Principal, and Max Brown, the UHI Director of Transformation.

The Chair congratulated the Board and Executive Team on delivering merger, and referred to the difficult discussions over the past two weeks with UHI and the SFC. He thanked everyone involved for operating in such a collaborative and focussed way. He then invited the Director of Finance to deliver a short presentation outlining the agreement that had been reached on funding.

The Director of Finance explained that in Year One of the merged college, there was a projected funding gap of approximately [withheld]. UHI had agreed to grant a loan of [Withheld] to cover the operating

deficit, the anticipated cost of the Voluntary Severance Scheme and the Outer Hebrides cash advance. However, the loan did not cover the Merger Implementation Costs. UHI had asked UHI North, West and Hebrides to defer pension costs, reduce merger implementation costs, and seek additional savings costs of around £200k to meet the gap. The loan was to be repaid over a 6-year period starting on 1<sup>st</sup> August 2024. The Director explained that the College will still be in an operating deficit in Year 2. He said that the College would require to work closely with UHI and SFC to work out how the loan can be serviced.

In response to questions, doubt was cast on the ability to defer the pension costs. It was noted that UHI was able to offer the loan having been relieved of clawback responsibilities for the year 2021/22 by the SFC, and that the merged college was being given a higher proportion from UHI than it might have expected. The Principal noted that with the loan would come enhanced monitoring requirements, and there was also the requirement to deliver the ambitious transformation and savings programme. The Principal explained that with removal of [Withheld] of Merger Implementation Costs from the budget, the College would require to go through the Phase 3 bid again, and take a hard look at what can be done within existing resources. There were many essential costs, such as signage, travel, and HR support for restructuring and it would still be necessary to find savings of around [Withheld].

UHI had been supportive of the merger, and regular monthly financial reports from UHI NWH would be subject to scrutiny by UHI and the SFC. Delivery on the Merger Business Case must be an important part of the Board Agenda.

Anne Frater expressed concern about finding funding for merger specific roles if some existing positions were to be cut. The Chair explained that the available funding had to be seen as an overall financial package out of which everything required for the first year had to be funded. He said that it was for the Board and Executive Leadership Team to decide how the funding would be used. The Principal explained that the funding is in two parts – for cashflow and equity support on the one hand, and for the voluntary severance scheme on the other. There would be a requirement for prioritisation and further consideration of budgets. It was noted that there was less funding than had been anticipated, and that it was necessary to make the business plan work within the available financial envelope.

The Chair explained that he had intended the meeting to be a governance meeting. At the next meeting of the Board in mid-September, there would be consideration of how the Board would operate. If the Board was to be monitored, time should be set aside at that meeting to consider how objectives would be set. It would be necessary to build confidence in the college for when plans are to be considered for years two and three. He invited Board members to submit suggestions for priorities and to submit suggestions either by telephone or email.

The Board noted the position.

## **2. Note Board Member Register of Interests**

The Board noted the list of current Board members, and the Board members' Register of Interests. Members agreed to advise the Board Governance Professional of any amendments to their interests as soon as possible after the amendment arises.

### **2.1 Declaration of interests or connections**

Members were invited to declare an interest, either financial or non-financial in any item on the Agenda. In the interests of transparency, members were also invited to declare any connections. There were no declarations.

## **3. Starring**

Items 6, 7, 8, 11 and 13 were starred. Accordingly, it was agreed that as set out on the agenda, the recommendations in relation to the other items of business were approved without discussion.

#### 4. Minutes of the Last Meeting of the Transition Board held on 26<sup>th</sup> July 2023

The minutes of the meeting held on 26<sup>th</sup> July were not at this stage ready to be circulated to the Board. The Governance Professional undertook to circulate the minutes when they were prepared.

**Action – Governance Professional to circulate the minutes of the meeting held on**

#### 5. Actions arising from the Minutes

Progress on actions was noted as follows:

Date, Action, and Responsible Person	Current Status
<b>23 February 2023</b> – 5(i) Principal Designate to work with Director of Finance Designate to develop a revised shared services agreement with UHI Inverness to commence post-vesting – <b>Principal Designate</b>	<b>PD explained that she had arranged to meet MB and Sheena Stewart, the UHI Secretary following which a report on a Shared Finance Service would be submitted to the July meeting of the Transition Board - ONGOING</b>
<b>23 March 2023</b> – Board members to complete Declaration of Interest forms – <b>Board Members</b>	<b>All forms now received – COMPLETED</b>
<b>23 March 2023</b> – 11. Fiona Grant to progress the development of an outline business case for the growth opportunities identified during the discussion - <b>FG</b>	<b>ONGOING – in development as part of the Curriculum workstream workplan</b>
<b>26 April 2023</b> – 5. Director of Finance Designate and Executive Team to undertake for consideration by the Board a detailed and fundamental financial review developing options and showing the short and long term consequences of each option, with monthly progress reports to the Transition Board, said review to include staffing implications – <b>FDD</b>	<b>ONGOING</b>
<b>26 April 2023</b> – 6. Estates Workstream to report back to the Board with a final version of the Estates Strategy with regular progress reports – <b>JW</b>	<b>ONGOING</b>
<b>24 May 2023</b> – 5. Gaelic Language Strategy - Action – Gaelic language team to bring forward a final Gaelic Language Strategy and business plan for Board approval – <b>Gaelic Language Team</b>	<b>ONGOING</b>
<b>24 May 2023</b> – 6. Cnoc Solleir - JMcP to provide an updated report on the project when the detailed business plan for Phase 2 of the project would be available – <b>Joe MacPhee</b>	<b>ONGOING It was noted that it is critical that Cnoc Soilleir produce its own business plan for Phase One. Business Plan is expected in time for consideration after the outcome of the curriculum review is known in September. HIE are producing a business plan for Phase 2 only.</b>
<b>24 May 2023</b> – 7. Finance Update - DB to take forward budget preparation for consideration at an early meeting of the Board – <b>Derek Bond</b>	<b>ONGOING</b>
<b>20 June 2023</b> – 5. Finance Reports – Chair and PD urgently to open discussions with RSB and SFC to	<b>PROGRESS MADE - ONGOING</b>

seek a full funding plan to be in place by 1st August for the various elements of the merged college's funding requirements, including the Outer Hebrides cash advance, the Voluntary Severance Scheme, Phase 3 costs and the operating working capital – <b>Chair and PD</b>	
<b>20 June 2023</b> – 6. Business Development Workstream - DC to provide an operational plan for a future meeting of the Board of Management – David Campbell	<b>COMPLETED (though Debbie has suggested an amendment to the report, I believe)</b>
<b>20 June 2023</b> – 7. People and Culture Workstream - VF to take report to HR Committee for discussion before coming back to a later meeting of the Board – <b>Vicky Ferguson</b>	<b>Report to go to HR Committee on 30<sup>th</sup> August</b>
<b>20 June 2023</b> – 12. Proposed Use of UHI West Highland Cash Reserves – SMcF to investigate further the availability of funds to purchase land at Mallaig related to a strategic estates project – <b>Sue MacFarlane</b>	<b>It was noted that the purchase of the land had not taken place. Michael Foxley advised that he had been speaking to the Chief Executive of Crown Estates about the matter, and understood that the matter is to be referred to the Crown Estates Executive Committee. MF will go back to the Principal to find a solution. ONGOING</b>

#### **6. \* Proposal to move West Highland and Outer Hebrides staff on to the CHRIS Payroll System**

There had been circulated confidential report BM0823/06 by the Director of Finance explaining the proposal to change the payroll arrangements for the staff from the former West Highland and Outer Hebrides colleges by moving all payroll arrangements on to the existing CHRIS system used for the payment of UHI North Highland staff.

Chris Alliston expressed concern that the switch of Outer Hebrides staff from their existing system to CHRIS system in time for the August pay date, would be complex and may not be achievable due to limited resources and there being no opportunity to run the two systems in parallel for a trial period.

In response, the Director of Finance advised that there had been concerns expressed by the external service provider that they may not be able to pay the former outer Hebrides staff in August. Aligned with that potential difficulty, benefits and efficiencies of having all staff on one payroll system had been noted. There was a considerable amount of work to do, particularly as the staff were being moved on to the new system in the middle of a tax year. However, he was confident that the work was achievable. For the move of West Highland staff on to the CHRIS system, the Director advised there would be time for a “dummy” run. He stressed the advantages of having all staff on one system.

The Board noted the position and the Chair thanked the Director for his work and the work of his staff on this matter.

#### **6.1 Note and Approve Financial Forecast Return submitted to SFC on 31<sup>st</sup> July 2023**

The Board noted and approved the Financial Forecast Return submitted to the SFC on 31<sup>st</sup> July 2023.

#### **7. \* Local Advisory Committee Terms of Reference**

There had been circulated report BM0823/07 by the Governance professional setting out the consultation responses to the Local Advisory Committee Terms of Reference, and circulating a revised draft Terms of Reference, for consideration by the Board.

The Board noted and approved the revised draft Terms of Reference.

#### **8. \* Board Recruitment and Appointment of Officebearers**

There had been circulated report CONFIDENTIAL report BM0823/08 by the Chair, requesting Board approval as indicated in the report for (a) the appointment of a Vice Chair and a Senior Independent Member, (b) the creation of a second Vice Chair Role, (c) the initiation of recruitment for additional board members, and (d) membership of the Nominations and Remuneration Committees.

The Board agreed the appointment of Neil Hope as Vice Chair of the Board and Shona MacDougall as Senior Independent Member, and approved the creation of a second Vice Chair role to represent the Board in relation to Outer Hebrides as described in the report. The Board further agreed the initiation of a recruitment campaign for additional board members, and agreed that as Neil Hope was already Chair of Audit Committee, he would no longer be a member of Nominations and Remuneration Committees.

#### **Action – Nominations Committee to commence a recruitment campaign for new Board members and a Vice Chair (Outer Hebrides)**

##### **8.1 Dates of Meetings and Committee Membership**

There had been circulated report BM0823/8.1 inviting the Board to approve the appointment of Committee chairs and Committee membership as set out in the report on an interim basis, approve the attendance of the North Highland HISA Depute as an observer at Board meetings, and approve the Committee dates for the forthcoming year.

In response to concerns raised by Ian MacEachern about the Audit Committee not being sufficiently independent due to its chair also being chair of the Human Resources Committee, it was noted that as outlined in the report, the committee arrangements were on an interim basis until new members were appointed at which time committee membership would be reviewed. Chris Alliston expressed concern that [Withheld], one of the Outer Hebrides nominees to the Transition Board had not put her name forward to go on to the Board of Management, and enquired whether a new nominee from Outer Hebrides would be appointed. The Chair advised that there were still three former members of the Outer Hebrides Board on the Board of Management and that advertising would shortly commence for a Vice Chair of the Board resident in the Outer Hebrides.

After discussion, the Board agreed that the Committee membership until reviewed following the next round of Board recruitment later in the calendar year, would be as follows:

**Finance and General Purposes Committee** – Shona MacDougall (Chair), Chris Alliston, Shannon MacCallum (HISA Depute), Lydia Rohmer, Derek Lewis

**Audit and Risk Management Committee** – Neil Hope (Chair), Sarah Fraser, Ian MacEachern, Fiona Kolontari

**Learning, Teaching and Research Committee** – Sarah Fraser (Chair), Judith Crow, Michael Foxley, Diana MacLeod, Lydia Rohmer, Mark Adams (HISA Depute)

**Human Resources Committee** – Chris Alliston (Chair), Neil Hope, Ian MacEachern, Lydia Rohmer, Fiona Kolontari

**Remuneration Committee** – Chris Alliston (Chair), Ian MacEachern, Derek Lewis, Fiona Kolontari

**Nominations Committee** – Chris Alliston (Chair), Ian MacEachern, Derek Lewis, Fiona Kolontari

## **9. Risk Register**

There had been circulated report BM0823/009 by the Principal providing an update on the risks attached to the merger pre-vesting, and for Year One of the new college. A comment had been provided on changes to residual risk ratings resulting in new red risks or increased risk trends.

The Board had been invited to discuss and note the risk register which had been based on a review of the three founding college risk registers, picking up any residual red risks. The Vice Chair commented that it was essential that the whole board meet to agree risk appetite in early course, and advised that he looked forward to the Audit and Risk Management Committee being able to view a risk register which reflects the risks of a working college.

The Board noted (a) that the residual red risks at or above 16 from the three merger colleges had been reviewed, and comments on the potential impact on the merged college risk register had been offered, and (b) that this was the last update on pre-merger risks, and a full risk register update, as well as work on the new college's risk register would be taken forward with the merged college's Audit and Risk Management Committee.

The Board noted the report.

## **10. Adopt and Note Revised Model Code of Conduct**

There had been circulated report BM0823/10 by the Governance Professional setting out the requirement that the Board adopt the Model Code of Conduct for members of devolved public bodies.

As recommended in the report, the Board:

1. Approved and adopted the Revised Model Code of Conduct;
2. Instructed the Board Governance Professional to notify the Scottish Government that this had been done; and
3. Instructed the Board Governance professional to publish the Revised Model Code of Conduct on the College website, sending a link to the Code and to the Register of Interests to the Scottish Government's Director of Local Government and Communities.

**Action – Board Governance Professional to notify the Scottish Government of adoption of the Code of Conduct, and send a link to the Register of Interests published on the Board's website.**

## **11. Approval of Policies**

The Board approved the following policies which were circulated with the agenda: Data Protection Policy; Freedom of Information Policy; Records Management Policy; Records Retention and Disposal Policy; Safeguarding Policy; Social Media Compliancy Policy; Health and Safety Policy; and Fire Safety Policy.

The Board further agreed that the Governance professional assign each of the policies to the relevant Committee, and notify the relevant Chair.

**Action – Governance Professional to assign policies to a Committee and notify each Committee Chair as appropriate.**

## **12. UHI North, West and Hebrides Tertiary Curriculum Review**

There was circulated report BM0823/12 by Fiona Grant, Curriculum Workstream Lead, and the Principal Designate, outlining the approach that the college will use for a transformational tertiary curriculum review with the associated timeline that will improve access, choice, sustainability and the quality of delivery. The report explained that the substantial review would be completed across three

phases. Such an approach would support the aims of the review whilst applying a consistent decision-making protocol.

Michael Foxley commented that he considered that marketing of courses could be improved to exploit the opportunities in the area. For example, there appeared to be wealthy people moving into the area whose participation in learning modules could increase income. Sarah Fraser agreed that publicity should be improved to help grow revenue, and said that nontraditional markets need to be explored.

The Principal noted the comments and advised that marketing will be considered through the Learning, Teaching and Research Committee. The Board noted the report and noted that the curriculum review is a key part of the curriculum workstream which will be carried out in parallel with UHI 2024.

### **13. Interim Executive Structure and Review Process**

There had been circulated report BM0823/13 by the Principal providing context, rationale and detail for the Interim Executive Structure for the newly merged college.

The Board noted that the interim executive leadership team reports to the Principal and Chief Executive, who has overall responsibility and accountability as Chief Accountable Officer to the Board and UHI. The Board noted the following key roles:

**Vice Principal Academic & Senior Responsible Officer Outer Hebrides** – Hannah Ritchie-Muir

**Vice Principal Operations & Senior Responsible Officer North Highland** – Debbie Miller

**Senior Responsible Officer West Highland & Director of Academic Affairs (WH)** – Fiona Grant

**Director of Finance** – Derek Bond

**Director of HR** – Vicky Ferguson

**Merger Team** – this consists of a combination of UHI employed staff and the Marketing and Communications Team. The Merger Team will be led by the newly appointed **Programme Director for Merger Implementation and Integration** who will also support the Principal in reporting on merger progress and merger benefits realisation to the Board.

The Board agreed to endorse the structure, noting the importance of the role of Business Development in relation to income generation going forward, and endorsed the proposed Year One review process for the Interim Executive structure outlined in the report.

### **14. Approval of Governance Documents**

There had been circulated report BM0823/14 comprising a draft Governance Manual. The Board noted and approved the Constitution, Board Membership, Standing Orders, and Scheme of Delegation and agreed to consider Terms of Reference after finalisation by the Committees. Finally, the Board agreed to keep the Governance Manual under constant review.

**Action – Governance Professional to arrange for Terms of Reference to be considered by Committees**

### **15. Any Other Business**

The Chair advised Board members that:

(a) Graham Dey, the Minister for Further and Higher Education was to be in Stornoway on 14<sup>th</sup> September which gave the new College and Board an opportunity to showcase the work of the College and also to highlight the challengers for the future;

(b) Princess Royal was to attend the graduation ceremony in Thurso on 15<sup>th</sup> September

(c) he would encourage them to be visible in the college, and to speak to staff and students. In due course he hoped that the Board would formalise visits to ensure that all parts of the college benefit from visits from Board members. The Chair also advised members to let the Executive Leadership Team know of anything which particularly pleased or disappointed them on their visits;

(d) he intended that face-to-face board meetings would continue during the current year.

In conclusion the Chair thanked everyone for attending and congratulated everyone on achieving merger. He said that he was particularly pleased with the media coverage and internal communication.

Finally, the UHI Secretary congratulated the Board and said that she looked forward to working with the Board and the Executive Team.

The Chair closed the meeting.

Chair