

UHI | INVERNESS

Meeting	Board of Management
Date and time	Tuesday 03 February 2026 at 4.30 p.m.
Location	Hybrid Meeting in room 203/204 and via Microsoft Teams

Governance Officer
19 January 2026

AGENDA

The timings on this agenda are indicative only and may extend beyond times highlighted.

Welcome and Apologies

Declaration of Interests and/or any Statement of Connections or Transparency Statements.

ITEMS FOR DECISION

- 16:30 – 16:35 **1) MINUTES**
 - a.) Meeting of the Board of Management held on 16 December 2025
 - b.) Confidential Note (CN-BoM-01-122025) of the Board of Management held on 16 December 2025
 - c.) Confidential Note (CN-BoM-02-122025) of the Board of Management held on 16 December 2025

- 16:35 – 16:45 **2) OUTSTANDING ACTIONS**
 - Actions List

- 16:45 – 16:50 **3) ITEMS APPROVED VIA WRITTEN PROCEDURE**
 - Report by Governance Officer

- 16:50 – 17:05 **4) VS PROPOSAL (CONFIDENTIAL)**
 - Report by VP Curriculum, Operations & External Relations

 - a.) DRAFT SFC Business Case for Severance Programme UHI Inverness 2026 (CONFIDENTIAL)

- 17:05 – 17:20 **5) RESEARCH FINANCIAL PERFORMANCE REVIEW & RECOMMENDATIONS (CONFIDENTIAL)**
Report by VP Curriculum, Operations & External Relations

ITEMS FOR DISCUSSION

- 17:20 – 17:35 **6) FBC UPDATE & RESPONSE TO JANUARY MEETING**
Verbal Report by Chair of Board of Management
a.) Forming of the Transformation Committee
- 17:35 – 17:45 **7) SELF-EVALUATION SEESION UPDATE**
Report by Governance Officer
- 17:45 – 17:55 **BREAK**
- 17:55 – 18:05 **8) KPI MATRIX**
Report by Head of Operations & Business Performance
- 18:05 – 18:25 **9) PRINCIPAL'S REPORT**
a.) UHI FBC Principal's Feedback
- 18:25 – 18:40 **10) UHI Court – FBC UPDATE AND DISCUSSION (CONFIDENTIAL)**
Verbal report by Further Education Regional Lead
- 18:40 – 18:50 **11) GOVERNANCE UPDATE**
Report from Governance Officer
- 18:50 – 19:20 **12) PLANNING & MONITORING – CURRICULUM & BUSINESS PERFORMANCE (CONFIDENTIAL)**
Presentation by VP Curriculum, Operations and External Relations & Head of Operations & Business Performance

FOR NOTING

- 19:20 – 19:20 **13) DRAFT MINUTES OF MEETINGS OF BOARD COMMITTEES (CONFIDENTIAL)**
a.) Joint Audit & FGP Committee held on 08 December 2025
b.) Chairs Committee held on 11 December 2025
- 19:20 – 19:20 **14) UHI UPDATES**
a.) Minutes of University Court held on 12 November 2025
- 19:20 – 19:30 **15) AOCB**
- 16) DATE AND TIME OF NEXT MEETING**
31 March 2026 at 4.30 p.m.

If any member wishes to add an item of business to the Agenda, please inform the Chair and the Governance Officer as soon as possible. Additional items of business will only be considered for inclusion in the agenda in advance of the start of the meeting.

Action	Academic Year	Status	Finding	Recommendation	Recommendation Significance	Implementation Date	Responsible Officer	Comments
3	25/03/2025 2024/25	Ongoing	Variations of credit-based funding across partnership: The importance of a consistent approach to the use of credits by all partners and the RBS had been highlighted by the Board.	The variations of credit-based funding across partnership to be raised with UHI.	Medium	31 June 2025	Chair of the Board	Update 31/06/2025: The matter has been raised with the Chair of the Court. An update is expected after the next UHI Court meeting. Update at 07/10/2025: The Chair of the Board will re-check the status of this action with EO. Update at 08/12/2025: This action is being reviewed as part of the FBC process.
4	24/06/2025 2024/25	Ongoing	Topslice increase for 2025/26: Discussion about the financial figures presented, concerns regarding duplication of systems and processes and the need for the topslice being reviewed took place.	Reasons for the increase in topslice for 2025/26 to be discussed with EO.	High	31 October 2025	Chair of the Board	Update at 07/10/2025: The Chair of the Board will re-check the status of this action with EO. Update at 08/12/2025: This action is being reviewed as part of the FBC process.
5	24/06/2025 2024/25	Ongoing	Financial 5-year plan - timeline: There is a plan to move the college from its current forecast budget deficit to a financially sustainable position or at least break-even from a cashflow point of view. This will be achieved through a variety of measures that have been listed within the body of the report.	Clear timelines to be included within the financial 5-year long-term plan to reduce the operational deficit.	Medium	31 October 2025	Director of Finance and Estates	Update at 07/10/2025: EMT is looking at different processes to establish areas for efficiency measures. Concerns were raised about cash position and FFR dropping but topslice rising. The Chair of the Board requested that the FGP Committee also be informed of these concerns and provided with an update.
6	24/06/2025 2024/25	Ongoing	Financial 5-year plan - discussions: There is a plan to move the college from its current forecast budget deficit to a financially sustainable position or at least break-even from a cashflow point of view. This will be achieved through a variety of measures that have been listed within the body of the report.	Discussions to take place regarding the financial 5-year long-term plan with the RSB and SFC.	Medium	31 October 2025	Director of Finance and Estates	Update at 07/10/2025: Session to be scheduled.
10	24/06/2025 2024/25	Ongoing	Principal's Report – QAA process: The Board raised concerns in regard to the current QAA self-evaluation process, its 6 years cycle and risk associated with the final report being done for the whole of the partnership, not for individual colleges.	Feedback about the new QAA process to be shared with EO and SFC. There is a need for more frequent meetings.	Medium	31 October 2025	Chair of the Board	Update at 07/10/2025: Feedback to be shared with EO and SFC. Update at 08/12/2025: QAA reporting process might change with any new structure emerging from the Transformation process.
13	07/10/2025 2025/26	Ongoing	FBC Update & Discussion: Due to time constraints, the Members had been asked to contact the Chair of the Board with questions regarding the Transformation process.	Board Members to send their questions in regard to the Transformation process to the Chair of the Board who will then share them with the EO.	Medium	31/10/2025	Chair of the Board and Board Members	Update at 08/12/2025: This action is part of ongoing current discussions with the EO and has been minuted at Committee and Board level.
15	07/10/2025 2025/26	Complete	Student Activity & Recruitment: Suggestion has been made to maximise income streams by widening the commercial offer in place to tap into important revenue streams.	Discussion to take place about ways to maximise income streams by widening the commercial offer.	Medium	31/12/2025	VP Curriculum, Operations and External Relations & RKS	Update at 16/12/2025: Meeting is being scheduled with AS, RKS & and Operations and Commercial Manager to discuss both actions. Update at 23/01/2026: Meeting scheduled for Thursday 19th February 2026.
16	07/10/2025 2025/26	Complete	Student Activity & Recruitment: The Board expressed concerns that the current FE credit allocation is distributed by EO based on historic pre-Covid demand. There is a need for the value of the credit and credit existing allocation to be reviewed and evaluated in light of current demand.	Discussion to take place about existing FE credit allocation and the value of the credit.	Medium	31/12/2025	VP Curriculum, Operations and External Relations & AS	Update at 16/12/2025: Meeting is being scheduled with AS, RKS & and Operations and Commercial Manager to discuss both actions. Update at 16/01/2026: Meeting took place on Friday 16/01/2026.

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Subject/Title:	Items approved via written procedure
Author: [Name and Job title]	Ludka Orłowska-Kowal, Governance Officer
Meeting:	Board of Management
Meeting Date:	03 February 2026
Date Paper prepared:	26 January 2026
Brief Summary of the paper:	This paper provides the Board with the list of items that have been approved by the members via email approvals.
Action requested: [Approval, recommendation, discussion, noting]	Ratification

Link to Strategy: Please highlight how the paper links to, or assists with: <input type="checkbox"/> compliance <input type="checkbox"/> partnership services <input type="checkbox"/> risk management <input type="checkbox"/> strategic plan <input type="checkbox"/> new opportunity/change	New Opportunity/Change, Compliance
Resource implications:	Yes / No If yes, please specify:
Risk implications:	Yes / No If yes, please specify: Operational: Organisational:
Equality and Diversity implications:	Yes/ No If yes, please specify:
Student Experience Impact:	Yes/ No If yes, please specify:
Consultation: [staff, students, UHI & Partners, External] and provide detail	N/A
Status – [Confidential/Non confidential]	Non-Confidential

ITEM 03.

Freedom of Information Can this paper be included in “open” business* [Yes/No]	Yes		
*If a paper should not be included within “open” business, please highlight below the reason.			
Its disclosure would substantially prejudice a programme of research (S27)		Its disclosure would substantially prejudice the effective conduct of public affairs (S30)	
Its disclosure would substantially prejudice the commercial interests of any person or organisation (s33)		Its disclosure would constitute a breach of confident actionable in court (s36)	
Its disclosure would constitute a breach of the Data Protection Act (s38)		Other (Please give further details)	

Further guidance on application of the exclusions from Freedom of Information legislation is available via

<http://www.itspublicknowledge.info/ScottishPublicAuthorities/ScottishPublicAuthorities.asp> and

http://www.itspublicknowledge.info/web/FILES/Public_Interest_Test.pdf

Recommendation

The Board is being asked to confirm the final approval of following documents that had been approved by Members in January 2026.

Following items needed approval:

1. Governance Reports

- a.) Draft Annual Audit Report 2024/25
- b.) Self-Evaluation and Action Plan (SEAP) Report 2024/25

2. Policies for Approval

- a.) Student Conduct Policy
- b.) Business Continuity Policy
- c.) Waste Management Policy
- d.) Supporting Probation Policy
- e.) Public Interest Disclosure Policy (coming directly to Board for approval)
- f.) ICT Business Continuity Policy

UHI | INVERNESS

Subject/Title:	Self-Evaluation Session Update
Author: [Name and Job title]	Ludka Orłowska-Kowal Governance Officer
Meeting:	Board of Management
Meeting Date:	03 February 2026
Date Paper prepared:	23 January 2026
Brief Summary of the paper:	This paper provides the Board of Management with an update on the Self-Evaluation session that took place on 20 th January 2026.
Action requested: [Approval, recommendation, discussion, noting]	Discussion and Noting.
Link to Strategy: Please highlight how the paper links to, or assists with:: <input type="checkbox"/> compliance <input type="checkbox"/> partnership services <input type="checkbox"/> risk management <input type="checkbox"/> strategic plan <input type="checkbox"/> new opportunity/change	Governance Compliance & Strategic Plan.
Resource implications:	Yes / No If yes, please specify:
Risk implications:	Yes / No If yes, please specify: Operational: Organisational:
Equality and Diversity implications:	Yes/ No If yes, please specify:
Student Experience Impact:	Yes/ No If yes, please specify:
Consultation: [staff, students, UHI & Partners, External] and provide detail	N/A

Status – [Confidential/Non confidential]	Non-Confidential		
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Purpose of the report

To provide the Board of Management with an update on the Self-Evaluation session that took place on 20th January 2026 and next steps agreed.

Self-Evaluation Session

The session took place on Tuesday 20th January 2026 via Microsoft Teams. The Board was presented with following items:

- Externally Facilitated Effectiveness Review Report
- RSB Effectiveness Review of Assigned Colleges Report November 2025
- KPI Matrix - measures to be identified within each Committee's remit.

The EER and the RSB reports provided a list of recommendations that were discussed in detail by the Board, and the Governance Officer has been tasked with the creation of an action plan, with clear timelines and action owners allocated. The draft of the plan will be shared with the Chair of the Board for comments and approval and the Board will be presented with action updates at the June meeting.

The KPI Matrix was reviewed and the Chairs of LTR & FGP had been emailed to review current measures and decide which should be reported on to each Committee.

Performance Measures
AY: 2025-2026

Performance Measures- EMT & Board of Management

Measures - Linked to Profile and Actual sheets

AY Start	01 Aug 2025
Today	27 Jan 2026
Period Month	December
No.Periods YTD	5

Key:

B = Not yet in scope	
R = Not Achieved	
A = Partially Achieved	
G = Achieved	

Measure		Measurement Frequency	Prior Year Actual	Current Year Target	YTD TARGET	YTD ACTUAL	YTD ACTUAL v TARGET RAG	Prior YTD ACTUAL	Variance - YTD vs Prior YTD
1	HE Active applications (next AY - Measure from Dec - Jul)	Monthly	1,418	1,400.0	600	468	78.0%	422	46
2	FE Active applications (next AY - Measure from Dec - Jul)	Monthly	2194	2,300.0	100	48	48.0%	124	-76
3	FE Credits	Monthly	27085	26,442	23,500	24,776	105.4%	24,741	35
4	Apprenticeship starts	Monthly	409	382	231	283	122.5%	220	63
5	Apprentices in Learning (average in year)	Monthly	705	675	675	751	111.2%	683	68
6	Apprenticeship Income (excluding T&A)	Monthly	£1,398,960	£1,300,000	£614,000	£832,869	135.6%	£655,987	£176,882
8	Commercial Short Course Income	Monthly	£72,508	£75,000	£31,250	£79,105	253.1%	£19,960	£59,145
9	HE enrolments (head count)	Monthly	2,074	2,100	1,950	2,066	105.9%	1,979	87
10	HE enrolments (year one starts)	Annual	637	750	750	867	115.6%	637	230
11	HE FTE (APC figures) (from Oct)	Monthly	1,313.0	1,581.0	1,400.0	1,418.0	101.3%	1260	158
13	GA Programmes - New Enrolments	Monthly	191	130	130	115.0	88.5%	200	-85
14	Senior Phase Enrolments	Annual	574	564	564	542.0	96.1%	574	-32
18	Early Satisfaction & Engagement Survey (ESES)	Annual	95.7%	96%	96.0%	96.0%	100.0%	95.70%	0.30%
23	ESES % Response Rate	Annual	61.0%	60%	60.0%	63.0%	105.0%	61.0%	2.00%
32	Modern Apprenticeship successful outcomes (contract year)	Monthly	63.2%	75%	75.0%	70.5%	94.0%	66.70%	3.80%
33	FE progression to further FE study	Annual	39.6%	40%	40.0%	41.5%	103.8%	39.60%	1.90%
34	FE progression to HE - actual	Annual	29.7%	35%	35.0%	36.8%	105.1%	29.70%	7.10%
35	Mental Health Support appt (non-emergency) offered for within 3 - 10 working days	Monthly	98.0%	97.0%	97.0%	100%	102.9%	97%	2.80%
36	Learning Support appt offered for within 6 - 20 working days	Monthly	100.0%	97.0%	97.0%	83%	86.0%	100%	-16.60%
37	PLSP - completed and accepted by student (within 10 days of meeting)	Monthly	-	85.0%	85.0%	79.0%	92.9%		
40	Sickness levels	Quarterly	3.63%	2.98%	2.68%	2.60%	97.0%	2.70%	-0.10%
41	- Short Term	Quarterly	1.53%			1.31%		1.30%	0.01%
42	- Long Term	Quarterly	2.10%			1.29%		1.40%	-0.11%
43	% Staff turnover	Quarterly	2.35%	2.45%	3.58%	3.95%	110.3%	2.70%	1.25%
44	PRD completion - full or review	Quarterly	44%	75%	100.0%	66%	65.8%	68%	-2.20%
45	Student FTE:Academic Staff Ratio	Biannual	20.2	21	20.0	22.3	111.5%	21.7	0.6
47	Number of workplace injuries	Monthly	115	115	72	69	95.83%	72	-3
48	Number of RIDDOR reportable accidents and illness	Monthly	5		1	3	3	3	
49	% of staff completed mandatory IHASCO (H&S) Trg	Quarterly	84%	80%	80.0%	78.0%	97.5%	80%	-2.00%
59	Room Occupancy - Frequency %	Monthly	40.2%	38.0%	35.4%	33.2%	93.9%	36%	-2.76%
60	CO2 Emissions on Utilities (gross) Tonnes	Monthly	561	532	216	208	96.3%	228	-20
61	CO2 Emissions on Waste - Tonnes	Quarterly	0.821	0.780	0.380	0.262	68.8%	0.4	-0.14
62	Estates reactive task completion rate %	Monthly	95%	96%	96%	96.0%	100.0%	95%	1.0%
63	GTFM % reactive task completion rate	Monthly	95%	96%	96%	96.8%	100.8%	96%	0.8%
64	Total % of Capital expenditure budget committed (Aug - March)	Monthly	100%	100%	62.5%	100.0%	160.0%	100%	

Board of Management Meeting

Subject/Title:	Principals Report
Author: [Name and Job title]	Chris O'Neil
Meeting:	Board of Management
Meeting Date:	03 rd February 2026
Date Paper prepared:	28 th January 2026
Brief Summary of the paper:	<p>An update on UHI Inverness' positions in terms of;</p> <ul style="list-style-type: none"> - Institutional Health - Finances - Balanced Budget Plan - The UHI Transformation Exercise <p>This report must be considered within the context of the <u>presentation</u> to the Board and the <u>Executive FBC response</u>, which is the EMT response requested by BoM to the December FBC document, and is attached as an annex.</p>
Action requested: [Approval, recommendation, discussion, noting]	Discussion
Link to Strategy: Please highlight how the paper links to, or assists with::	
<ul style="list-style-type: none"> • compliance • partnership services • risk management • strategic plan • new opportunity/change 	
Resource implications:	If yes, please specify:
Risk implications:	If yes, please specify:
Equality and Diversity implications:	If yes, please specify:
Consultation: [staff, students, UHI & Partners, External] and provide detail	

Status – [Non confidential]	Non-Confidential		
Freedom of Information Can this paper be included in “open” business* [Yes]	Yes		
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Its disclosure would substantially prejudice the commercial interests of any person or organisation (S33)		Its disclosure would constitute a breach of confidence actionable in court (S36)	
Its disclosure would constitute a breach of the Data Protection Act (S38)		Other (please give further details)	
For how long must the paper be withheld? (express either as the time which needs to pass or a condition which needs to be met.)			

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Principal's Report

January 2026

Introduction

I am deliberately keeping this report very short to summarise our position about -

- Our Institutional Health
- Our Finances
- Our Balanced Budget Plan
- The UHI Transformation Exercise

...and so, create a short amount of time ahead of the Board Away Day to consider and contextualise how we might use some of our time.

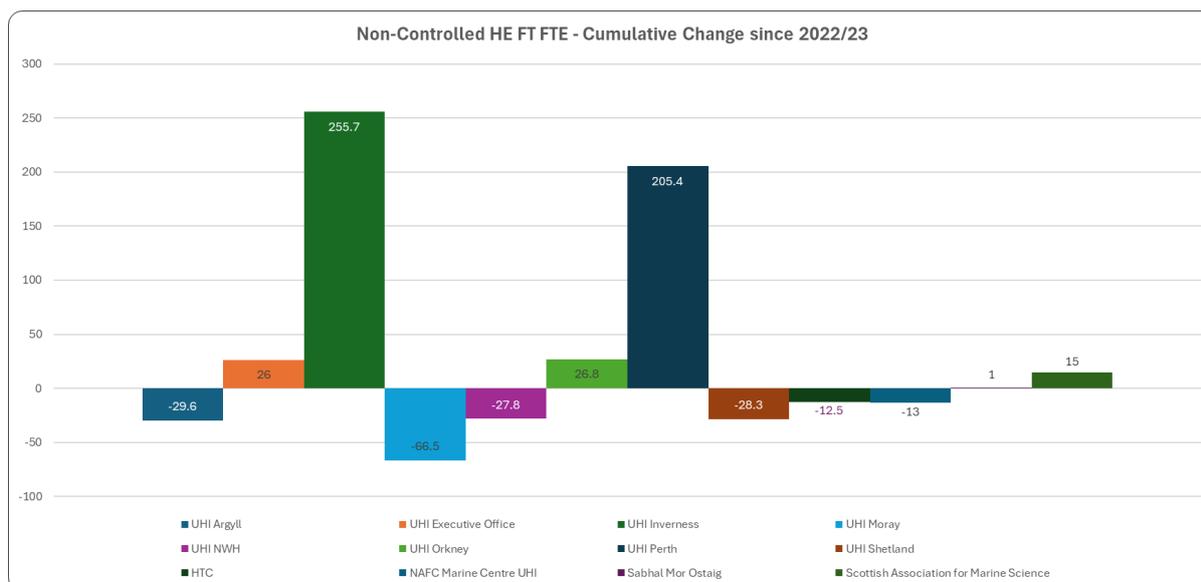
This report must be considered within the context of the presentation to the Board and the Executive FBC response, which is the EMT response requested by BoM to the December FBC document, and is attached as an annex.

Institutional Health

The presentation led by Georgie and Martin, demonstrates the rigor with which we consider and respond to the needs of our communities and students. The presentation demonstrated the rigorous and reflective process we have developed to map external need, imperatives and demand onto our capacity.

The presentation and the EMT FBC response provide evidence of the efficiency and effectiveness driven by this approach. The comparative data within the presentation shows the high level of value the students receive against the benchmarks within and out with the partnership. Within the EMT FBC response, the HE enrolment data, and partner by partner HE student profiles demonstrate our growth. The EMT FBC response also contains two charts presenting HESA data that demonstrates the flat and declining numbers of UHI students from the UHI region's postcodes in degree related study (HNCs to Degree) and Degree study. A very worrying indication that the UHI mission is not being delivered across the partnership at HE levels.

The chart below shows the HE full-time FTW cumulative change since 2022/23, showing significant growth at Inverness and Perth, both of whom are growing and mitigating against a potentially significant decline in UHI's overall HE students.



It must be noted this is not the case at FE level with all FE delivering partners expected to meet demand and credit allocation. Many partners, including Inverness have exceeded their FE allocations over recent years, with no funding available to support any over performance, particularly since the introduction of the FE top-slice which removed over £2.3 million from the available FE credit funding across the partnership (over £600K for UHI Inverness).

Having recently joined the ETIO Scottish Colleges Benchmarking group, we are expecting the first set of comparative data at the end of January 2026. Further work is being done through the ETIO process which will help us identify any further efficiency improvements, but given our position within the national Performance Indicators, we do know our impact is highly effective. The data presented by Georgie and Martin, indicates that we have an efficient staffing model, but the ETIO process will provide a wider range of more detailed comparative data than that sourced from the financial statements.

Our Finances

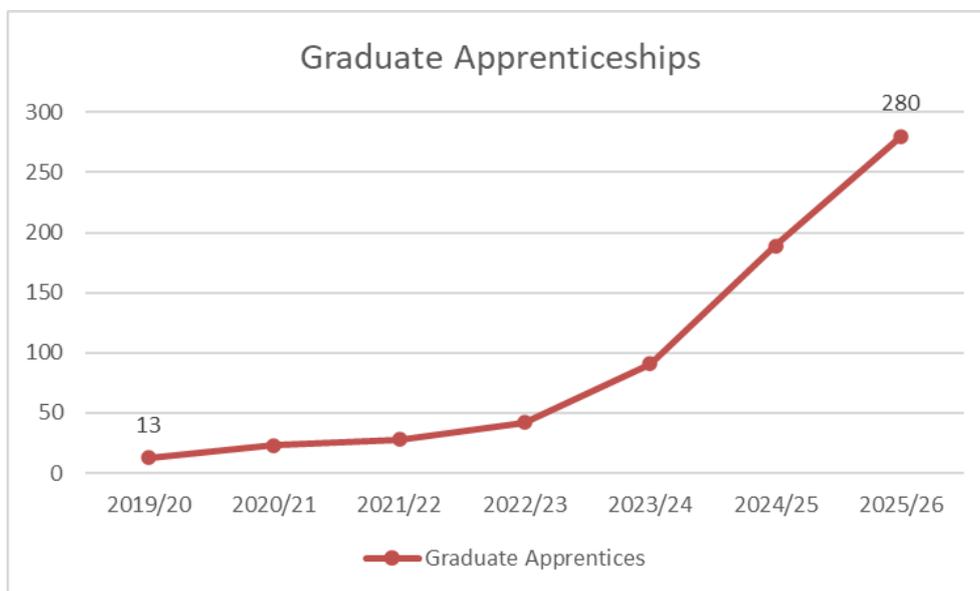
As the Board is aware, we have run an investment/deficit budget for two years to grow and improve our provision. This approach was an opportunity for investment given our strong cash position and that any available funding within the RSB or EO, including non-clawback funds were committed to deficits within the rest of the partnership in the form of loans, grants or direct/in kind support.

Investment in reconfiguring our main campus estate has led to new larger and more flexible teaching and IT spaces (formerly G1), a purpose built and expanded Arts studio, a much-needed dedicated student leisure space, and the creation of the Sustainable Construction Centre at Harbour Road. These investments, together with external funding secured, have enabled us to grow the Graduate Apprenticeship (GA) provision including Civil Engineering and Construction, to deliver Scottish Government's expectations

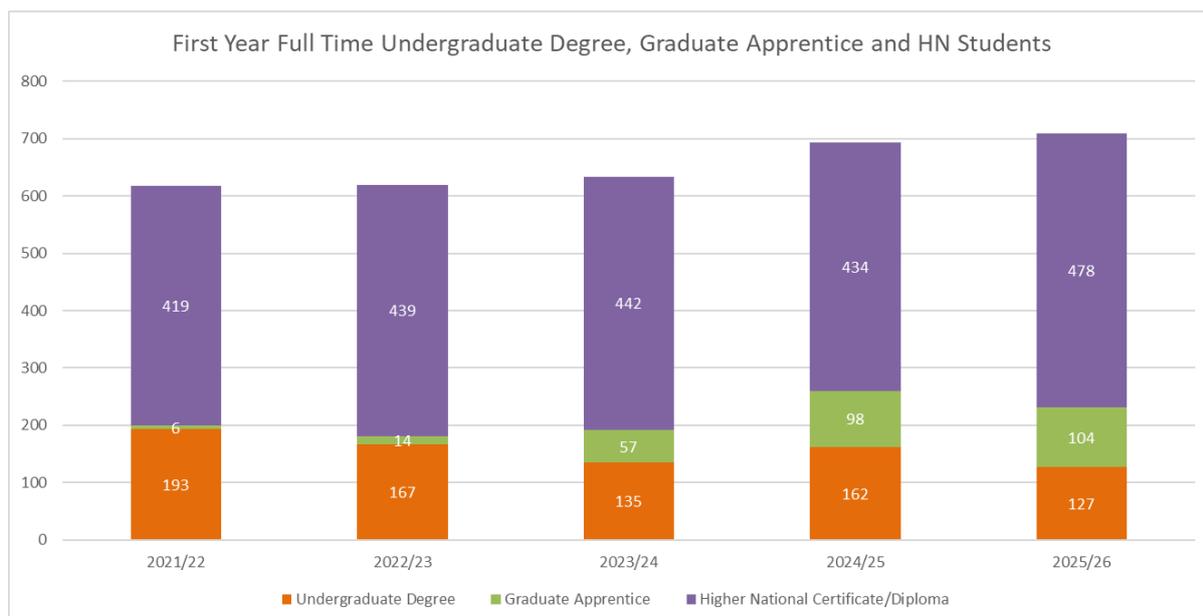
regarding construction and sustainability, alongside growth in Modern Apprenticeships. We initiated this investment in 24/25 and GA growth in Civils and Construction alone is as follows –

Year	Civil Engineering and Construction GA Enrolments
2023/24	55
2024/25	110
2025/26	145

For context, the chart below shows overall GA growth across all frameworks since 2019/20 to this current academic year.



Despite the above, and as we have discussed with Chairs, we are now concerned that although we have achieved year on year growth in HE for the past three years and our demonstrable efficiency, this has not been sufficient to meet our forecasted budget income increase. There have also been some interesting movements, for example we have seen growth in the GA Business and Management programme but a reduction in the traditional degree route. Traditional courses in arts and humanities are also underperforming against target with most of the growth in GAs and HNs. This suggests that demand is increasing for applied courses, arguably due to high employment rates and the cost-of-living pressures, which has reduced demand for traditional undergraduate degree.



Coupled with a long-standing period of flat (therefore reducing in real terms) funding, NI and costs in addition to the top slice and additional charges, our financial position is challenging. [Audit Scotland \(2025\)](#) reported that funding to the FE sector has been cut in real terms by 20% over the past 5-years term. They report that ‘most institutions are not financially sustainable with many facing insolvency due to reduced funding, lower student numbers and increased operational costs’.

Against this backdrop, the trend data demonstrates that we have done all we can to improve efficiency, grow our student numbers where funding is available, hold down operational costs whilst increasing our student satisfaction and outcomes. However, unlike all other colleges out with the UHI partnership, we are subject to our allocated funding being significantly reduced by funding top-slices and other UHI related costs as shown in the presentation by Georgie and Martin. These include Programme Leadership, Module Leadership, Personal Academic Tutors and investment in research on already heavily top-sliced funds.

The Scottish Budget has indicated a 10% uplift to college funding. This is welcome but we await further details. Part of the uplift, for example will be targeted at the poor estates in some regions and the early indication is that targeted capital investment will make up circa 10% of the uplift, specifically aimed at colleges with estates challenges.

But it must be noted, and as demonstrated in the [EMT FBC response](#), the SFC HE allocation to the UHI partnership is a long way from delivering to target and, by default, the funding allocation. HE curriculum reform is the responsibility of EO as the ‘owner’ of the degree awarding powers. Despite this, HE level developments are generally led by

partners such as GAs which have all been instigated and developed by UHI Inverness. UHI Inverness has also led the growth of Modern Apprenticeships at FE level.

Our, and the wider UHI HE curriculum, needs to be more relevant to our region and thus become more attractive. The SMRS Curriculum Review, which recommended applied course development to EO has not been instigated. As already mentioned above, UHI Inverness students want applied learning, and we believe this still to be the case across the partnership.

Balanced Budget Plan

We are developing a Balanced Budget Plan. We are examining all revenue budgets and making reductions, we are continuing tight vacancy management, ensuring that delivery is as efficient as it can be and are assessing the cost and impact of initiatives such as free breakfasts and lunches for students. However, given our staffing costs account for almost 70% of our expenditure, we have taken a VSS proposal to the PR&R Committee and have prepared an associated business case for submission to the RSB and the SFC.

As we finalise the above and as UHI's and the SFCs funding and allocations are confirmed, the Balanced Budget Plan can be fully written up and presented to the Board.

But the impact tough budgetary savings will, most likely have a negative impact upon our effectiveness at a time when we are demonstrably efficient and staffing levels are already tight. We anticipate the consequences impacting upon many areas of our work including Quality Enhancement, Teaching and Learning, Retention, Early Withdrawals, Student Outcomes, Student Satisfaction and Staff Development.

Assessing the levels of impact and reputational harm is difficult to predict, but we will do all we can within the Balanced Budget Plan to mitigate the impact which might be reputational and financial.

The UHI Transformation Exercise

The EMT FBC response to this paper outlines the concerns that we have had collectively with the process, assumptions and management of what should have been an engaged and transparent process leading to a compelling FBC.

Having developed an Option 3 proposal that sought to address the current and ongoing funding issues and create an evolutionary route to Option 6 for our successors, and looked at where and how efficiencies should be made to support the student in the short to medium term; it is disappointing that option 3 was not collectively discussed.

Our conclusion was and remains that EO's level of top slicing direct and additional indirect charging is damaging to UHI Inverness and the partners and has not been fully justified.

Commitments made by EO to the Board and Partnership Council to review and reduce the top slice have not been forthcoming. But as the data within the EMT FBC response demonstrates, the unprecedented top slicing of FE credits, currently at a level of over 66 times that of the Lanarkshire RSB before it was disbanded must be examined as a matter of urgency, although the FE top slice represents a small part of the wider top slicing and charging.

Our analysis shows that even a moderate adjustment of 10% on the HE 35% top slice will lead UHI Inverness to a balanced budget. This would bring UHI Inverness costs in line with the SFC funding model for associate student costs and the expectation that colleges will receive at least 75% of funding (Annex C: Conditions of university funding AY 2025/26).

In addition, the reinstatement of the full FE credit value and the removal of an assumed HE top slice on student fees would bring this aspect of our funding in line with the Scottish sector and make a significant difference to UHI Inverness.

We would also like to explore the ability for us to opt into or out of the services which EO deliver. For this we need a service catalogue, something which has been requested previously to enable us to quantify the top slice charges and identify the multiple areas of duplication for Inverness. For example, we do not rely on student support services, estates services, most aspects of quality assurance and enhancement, out with the degree awarding process, and we are fully accountable for all of our provision under the new Tertiary Quality Enhancement Framework.

We believe that the funding model across the partnership needs to be properly reviewed and a new model devised which fairly remunerates partners for the work that they undertake on behalf of the university, outlined above.

Whilst some smaller colleges may need and choose to use some of the services which EO could provide, the current blanket approach leads to duplication for colleges which already provide these services on-site to our students and employers. There is also no transparency in relation to the distribution of UHI research funding to partners.

In conclusion

We are strongly committed to a tertiary provision for our region that transforms the region and creates opportunities and successes for our communities. To achieve this, the provision must be excellent and efficient.

We have worked ceaselessly to create an effective and efficient UHI Inverness, and this is widely recognised. The benchmarking work we have done to date confirms this and we hope that the ETIO benchmarking work will further confirm this, albeit with insights as to where we can further improve.

Our KPI metric, our student outcomes, and student satisfaction surveys all confirm the strength of our performance and our reputation both locally and nationally is excellent. We are increasingly asked to lead national initiatives.

But the business model is failing and does not work. We cannot sustain our current work and pay top slices and charges to EO given that the value of the cost cannot be quantified. We had hoped that the Transformation process was an opportunity to create a sustainable UHI partnership that delivered excellence but cannot see how the FBC represents this.

Professor Chris O'Neil

28th January 2026

UHI | INVERNESS

Subject/Title:	Governance Update
Author: [Name and Job title]	Ludka Orłowska-Kowal Governance Officer
Meeting:	Board of Management
Meeting Date:	03 February 2026
Date Paper prepared:	26 January 2026
Brief Summary of the paper:	This paper provides the Board of Management with an update on all governance matters.
Action requested: [Approval, recommendation, discussion, noting]	Discussion and Noting.
Link to Strategy: Please highlight how the paper links to, or assists with:: <input type="checkbox"/> compliance <input type="checkbox"/> partnership services <input type="checkbox"/> risk management <input type="checkbox"/> strategic plan <input type="checkbox"/> new opportunity/change	Governance Compliance
Resource implications:	Yes / No If yes, please specify:
Risk implications:	Yes / No If yes, please specify: Operational: Organisational:
Equality and Diversity implications:	Yes/ No If yes, please specify:
Student Experience Impact:	Yes/ No If yes, please specify:
Consultation: [staff, students, UHI & Partners, External] and provide detail	N/A

Status – [Confidential/Non confidential]	Non-Confidential		
Freedom of Information Can this paper be included in “open” business* [Yes/No]	Yes		
*If a paper should not be included within “open” business, please highlight below the reason.			
Its disclosure would substantially prejudice a programme of research (S27)		Its disclosure would substantially prejudice the effective conduct of public affairs (S30)	
Its disclosure would substantially prejudice the commercial interests of any person or organisation (s33)		Its disclosure would constitute a breach of confident actionable in court (s36)	
Its disclosure would constitute a breach of the Data Protection Act (s38)		Other (Please give further details)	

Further guidance on application of the exclusions from Freedom of Information legislation is available via

<http://www.itspublicknowledge.info/ScottishPublicAuthorities/ScottishPublicAuthorities.asp> and

http://www.itspublicknowledge.info/web/FILES/Public_Interest_Test.pdf

Nomination for Vice Chair Position

As you are aware the Vice Chair, Dee Bird, stood down from the Board of Management in January 2026. We are now looking for nominations for the position to ensure our continuing compliance with the Code of Good Governance.

The process for nominations is as follows:

- Nominations are invited.
- All nominations must be seconded.
- Nominations must be provided to the Governance Officer, in writing, by Friday 27th February 2026.
- The Board will be informed on Monday 2nd March 2026 of nominations received, and a ballot will open for email election of the Vice-Chair. The ballot will close on Friday 13th March 2026 at 5pm.
- In the case of a sole nomination, members will be asked to support the nomination. In the event of a dead heat, a second ballot will take place. If a simple majority vote does not support the nomination, the position will remain vacant and will be reconsidered at the next Board of Management meeting.

Votes cast will be counted by the Governance Officer and a scrutineer. The result will be announced by the Governance Officer, recorded and signed by her and the scrutineer and reported to the Board on 31 March 2026.

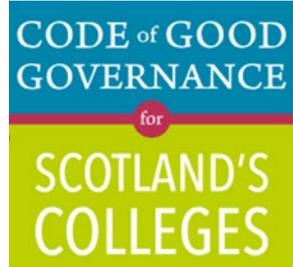
LTR Committee – Chair & Vice Chair positions

The vacant LTR Committee's Chair and Vice Chair positions have been recently filled: the current Vice Chair, Arvinder Kainth, was offered and has since accepted the position of the new Chair of the Committee, with Annie Nelson also accepting the role of the Vice Chair.

New Code of Good Governance

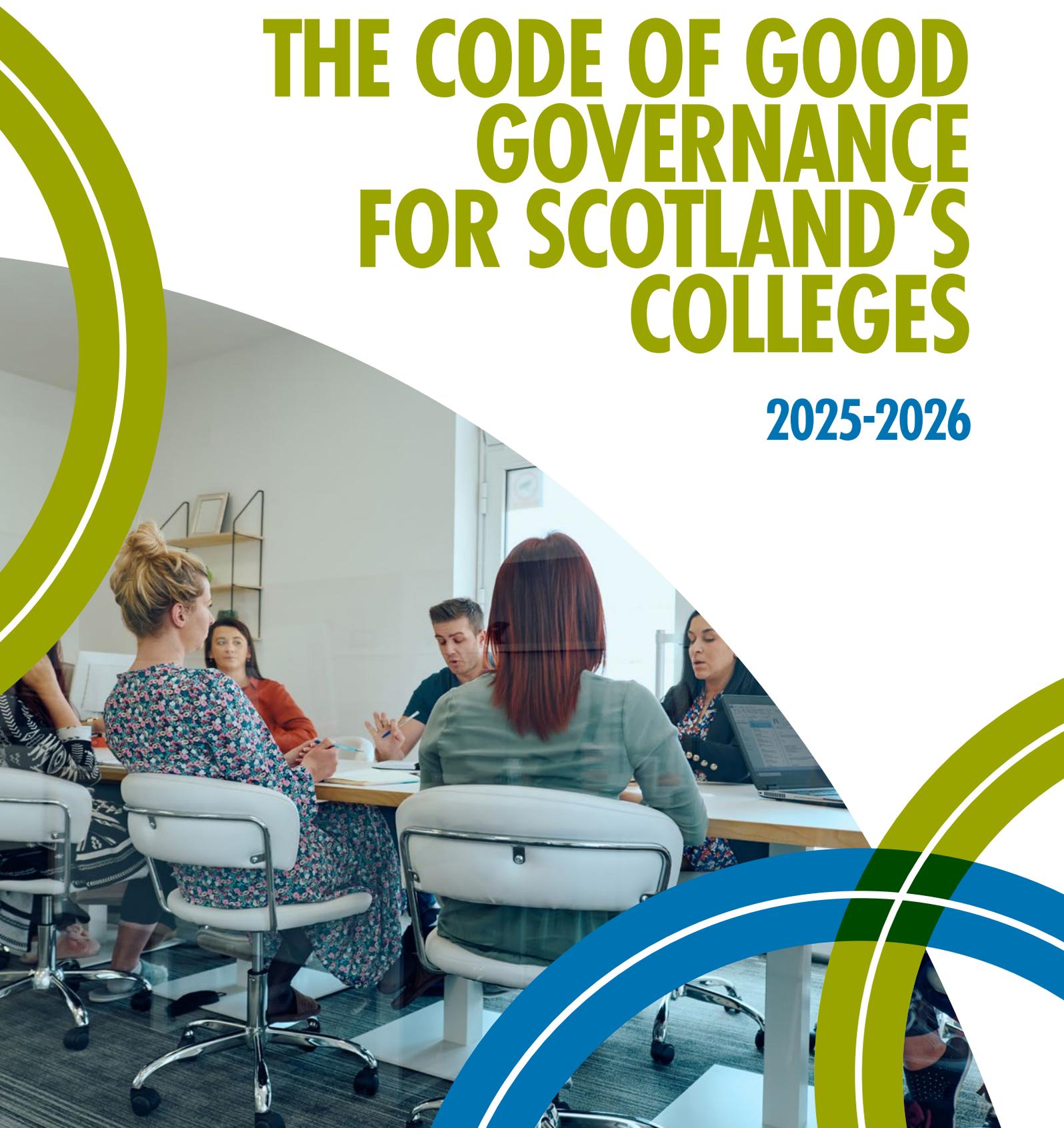
As informed by the CDN, the Code of Good Governance was recently updated and will now be going through the process on an annual basis. The updated copy of the code is attached as item 11.1.

Direct link: <https://www.cdn.ac.uk/wp-content/uploads/2025/12/Code-of-Good-Governance-for-Scotlands-Colleges-2025-26.pdf>



THE CODE OF GOOD GOVERNANCE FOR SCOTLAND'S COLLEGES

2025-2026



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1. BACKGROUND

The original *Code of Good Governance for Scotland's Colleges* was published in December 2014. The Code is reviewed and updated annually by the Good Governance Steering Group. This is the edition for the 2025-26 session.

Colleges Scotland will act as custodian for any future reviews in liaison with the Good Governance Steering Group and in keeping with the way that the Code was created, the broad range of stakeholders who developed the Code will be engaged fully with any revisions. CDN will take responsibility for the production and dissemination of the Code document.

This Code refers to regional colleges, assigned colleges and regional strategic bodies.



2. FOREWORD

Colleges in Scotland thrive in the heart of their communities, serving the interests of those communities, students, employers, governments and their agencies and other stakeholders. They have an essential and valuable role in Scottish society. Colleges deliver 68 million hours of learning each year, and 95% of these learning hours lead to a recognised qualification. Across Scotland colleges employ 14,000 staff and deliver education, skills and training to 248,900 students and 14,830 apprentices. .

Colleges receive substantial public funding and also operate in an increasingly commercial and enterprising way. We value the significant contribution college board members make to governing our colleges and regional strategic bodies, and to their stewardship of taxpayer's money, ensuring its efficient and effective use.

Boards are expected to innovate, pursue new opportunities and take measured risks in delivering what is best for their stakeholders.

Against this background, it is right and proper that the highest standards of governance and propriety are expected of our boards and those individuals who serve them. This Code of Good Governance codifies the principles of good

governance for learners and learning that already exist in our colleges and promotes accountability and continuous improvement in how colleges and regional strategic bodies are governed.

The Code is based on key principles and has been written in a way that is mandatory and anticipates compliance. All colleges that receive funding from the Scottish Funding Council (SFC) or from a regional strategic body must comply with the Code as a term and condition of grant. Exceptions should be rare and must be explained publicly.

In addition to demonstrating good governance, colleges and regional strategic bodies must also ensure compliance with their statutory and other obligations. The governance professional role is vital in providing guidance to the board on its legal and other obligations.

Colleges have an important individual and collective role to play in promoting economic, social, and cultural well-being. We expect this Code to provide the essential underpinning to help discharge that role to the highest standards possible.

Dr David C. Watt OBE

Chair of the Good Governance Steering Group



3. CODE OF GOOD GOVERNANCE FOR SCOTLAND'S COLLEGES

Governance and the Code

Corporate governance:

- is the way in which organisations are directed and controlled within a legislative and regulatory framework
- defines the distribution of rights and responsibilities among the different stakeholders and participants in the organisation
- determines the rules and procedures for making decisions on corporate affairs including the process through which the organisation's objectives are set
- provides the means of achieving those objectives and monitoring performance.

Scotland's colleges refer to colleges either funded by SFC or by a regional strategic body for the provision of education. Such colleges can be incorporated or non-incorporated. The overarching purpose of good governance for Scotland's colleges is to:

- lead the college, region or regional strategic body and set its strategic direction and values
- ensure effective management and financial controls to support the student experience within a framework of public accountability and transparency
- deliver high quality learning and outcomes.

The *Code of Good Governance for Scotland's Colleges* has been developed and is owned by the college sector. Colleges are required to comply with it as a condition of grant from either SFC or their regional strategic body. It establishes standards of good governance practice for all boards and provides the essential foundations for compliance within the legislative framework.

Boards must not only follow the letter but also the spirit of the Code to ensure good governance. Boards must think deeply, thoroughly and on a continuing basis about their overall tasks and the implications of these for the roles of their individual members. Key to this is the leadership of the chair, the support given to and by the principal, and the frankness and openness of mind with which issues are discussed and tackled by all board members.

Statement of Compliance with Good Governance

Each board must state its adoption of the Code in the corporate governance statement contained in its annual financial statement. The chair, on behalf of the board, is expected to report as to how the principles have been applied by the board. Where, for whatever reason, a board's practice is not consistent with any principle of the Code, it should make this known to SFC or, if it is an assigned college, the regional strategic body. This should be done immediately they become aware of an inconsistency and, without exception, in advance of publishing the information. An explanation for that inconsistency must be clearly stated in its corporate governance statement. Boards will be expected to offer a clear rationale for exceptions in the context of their college's operational model and to identify mitigations.

Individual board members have a duty to act on serious concerns about the governance of their body. Information on who board members can approach is included in *The Guide for Board Members in the College Sector* available from the College Development Network.

4. PRINCIPLES

Section A: Leadership and Strategy

Conduct in Public Life

- A.1 Every college and regional strategic body must be governed by an effective board that is collectively responsible for setting, demonstrating, and upholding the values and ethos of the organisation.
- A.2 Every board member must ensure that they are familiar with, and their actions comply with the provisions of their board's Code of Conduct.
- A.3 The *Nine Principles of Public Life in Scotland*, which incorporate the seven Nolan principles, must be the basis for board decisions and behaviour. These key principles, which apply individually and collectively, are:
- Duty/Public Service
 - Selflessness
 - Integrity
 - Objectivity
 - Accountability and Stewardship
 - Openness
 - Honesty
 - Leadership
 - Respect

Vision and Strategy

- A.4 The board is responsible for determining their institution's values, vision, strategic direction, educational character, , and ethos. Regional strategic bodies must also determine the regional strategy for colleges assigned to them. The board of an assigned college must have regard to the strategy determined by the regional strategic body. Board members have a collective leadership role in fostering an environment that enables the body to fulfil its mission and meet Scottish Government priorities, for the benefit of students and the community it serves.
- A.5 The board must develop and articulate a clear vision for the region or college. This should be a formally agreed statement of its aims and desired outcomes which should be used as the basis for its overall strategy and planning processes.
- A.6 The board provides overall strategic leadership of the region or college. The board is responsible for formulating and agreeing strategy by identifying strategic priorities and providing direction within a structured planning framework.
- A.7 The board (except in the case of assigned college boards) is responsible for overseeing the negotiation of its funding agreement with SFC, to meet the needs of the college or region and make best use of available funding, consistent with national strategy.
- A.8 The roles and responsibilities of the boards of assigned colleges should be undertaken in the context of the roles and responsibilities of their regional strategic body.



Performance

A.9 The board must ensure that a comprehensive performance measurement system is in place which is clearly linked to the regional strategic framework and identifies key performance indicators. It must ensure that it scrutinises performance measures and reports these on their website in a manner that is both timely and accessible to stakeholders. This will allow the board to determine whether or not the vision and mission of the region or the college are being fulfilled and that the interests of stakeholders are being met.

A.11 The board must exercise its functions with a view to improving economic, cultural and social wellbeing in the locality of the college or region. It must have regard to social and economic needs and social inclusion.

A.12 The board must provide leadership in equality and diversity.

A.13 The board must seek to reflect in its membership, the make-up of the community through offering maximum opportunity of membership to a range of potential members and removing potential barriers to membership, in partnership with its regional strategic body, as appropriate.

Corporate Social Responsibility

A.10 The board must demonstrate high levels of corporate social responsibility by ensuring it behaves ethically and contributes to economic development while seeking to improve the quality of life of the local community, society at large and its workforce.



Section B: Quality of the Student Experience

Student Engagement

- B.1 The board must have close regard to the voice of its students and the quality of the student experience should be central to all board decisions.
- B.2 The board must lead by example in relation to openness, by ensuring that there is meaningful on-going engagement and dialogue with students, the students' association and as appropriate staff and trade unions in relation to the quality of the student experience. Consultation is essential where significant changes are being proposed.
- B.3 The board must consider the outcome of student surveys and other student engagements and monitor action plans that could impact on the quality of the student experience.
- B.4 The college board must have regard to the [Framework for the Development of Strong and Effective College Students' Association in Scotland](#). It must put in place robust partnership procedures (e.g. partnership agreement) to work together to achieve change and which are supported by regular and open communications.
- B.5 The college board must encourage a strong and autonomous students' association and ensure that the students' association is adequately resourced.

B.6 The college board must ensure that the students' association operates in a fair and democratic manner and fulfils its responsibilities.

B.7 The college board should review the written constitution of its students' association at least every five years.

Relevant and High-Quality Learning

B.8 The board must seek to secure coherent provision for students, having regard to other provision in the region or college's locality. The board must be aware of external local, national and international bodies and their impact on the quality of the student experience, including community planning partners, employers, skills development and enterprise agencies and employer bodies. The board must seek to foster good relationships and ensure that the body works in partnership with external bodies to enhance the student experience, including employability and the relevance of learning to industry needs.

Quality Monitoring and Oversight

B.9 The board must ensure appropriate mechanisms are in place for the effective oversight of the quality and inclusivity of the learning experience in the college or region. The board must ensure that the college works in partnership with sector quality agencies and other appropriate bodies to support and promote quality enhancement and high-quality services for students.

Section C: Accountability

Accountability and Delegation

- C.1 The board is primarily accountable to its main funder, either SFC or its regional strategic body. Through the chain of funding, the body is ultimately responsible to the Scottish Ministers who are accountable to the Scottish Parliament.
- C.2 The board must ensure delivery of its agreed outcomes or in the case of an assigned college, its agreed contribution to the region's agreed outcomes.
- C.3 The board must ensure it fulfils its statutory duties and other obligations on it, and that the terms and conditions of its grant are being met.
- C.4 Scottish Ministers have powers to suspend or remove by order any or all board members of an incorporated college (except the principal) or a regional board for serious or repeated breaches of a term and condition of grant.
- C.5 The board also has a wider accountability to a range of stakeholders including students (both current and prospective), its staff, the wider public, employers and the community it serves, for the provision high quality education that improves people's life chances and social and economic well-being.
- C.6 Incorporated colleges and regional boards must maintain and publicly disclose a current register of interests for all board members. Board members have a personal responsibility to ensure any changes to their register of interests are notified timeously to the governance professional and to declare any specific conflicts of interest in the business of the meeting prior to the commencement of each meeting of the board and its committees and withdraw from meetings as appropriate.
- See section D.6 for the 'objective test' for judging if there is a conflict of interest.
- C.7 The board must ensure that its decision-making processes are transparent, properly informed, rigorous and timely, and that appropriate and effective systems of financial and operational control, quality, management of staff, risk assessment and management are established, monitored, continuously improved and appropriately impact assessed. This includes:
- a) the prompt production, dissemination and online publication of board/committee agendas, minutes and papers to the public
 - b) every board meeting and every committee meeting having a well-structured agenda circulated timeously in advance
 - c) the retention of all key documentation which help justify the decisions made by the board and its committees
 - d) setting quorum for board and committee meetings in line with good practice and preferably at 50% or higher are non-executive members. A board should satisfy itself that adequate arrangements are in place to ensure that decisions it has delegated to a committee are taken with a non-executive majority. When determining a quorum, the chair of the board may be considered to be a non-executive member. (see Annex 1 for the definition of non-executive)
- C.8 The board may delegate responsibilities to committees for the effective conduct of board business. As a minimum the committees required are Audit, Remuneration, Finance and Nominations/Appointments. Delegation of responsibilities from and matters reserved to the board and its committees must be set out in a scheme of delegation including the functions delegated by the board to the chair, committees, the principal and the governance professional (and any other members of staff).

Incorporated college boards and regional boards have no powers to delegate functions to an individual board member (except the chair who has no authority to act out with their delegated powers).

- C.9 The board must ensure every board committee has a specified member of the management team to provide objective, specialist advice to support it to discharge its remit, including by explaining in an accessible way the matters under discussion and the possible implications of different options.
- C.10 The board must consider and have in place procedures to ensure effective working relationships and constructive dialogue amongst the board as a whole and ensure there are effective reporting and two-way communications between committees and the board. The board must ensure that discussions and decisions of every committee are accurately recorded and reported to the board, no later than the next meeting of the board.

Risk Management

- C.11 The board of a college or a regional body is responsible for the overall management of risk and opportunity. It must set the risk appetite of the body and ensure there is an appropriate balance between risk and opportunity and that this is communicated via the principal to the body's management team.
- C.12 The board must ensure that sound risk management and internal control systems are in place and maintained. It must ensure there is a formal on-going process for identifying, reporting, evaluating and managing the body's significant risks and review the effectiveness of risk management, business continuity planning and internal control systems.

Audit Committee

- C.13 The Audit Committee must support the board and the principal by reviewing the comprehensiveness, reliability and integrity of assurances including the body's governance, risk management and internal control framework. The Scottish Government Audit and Assurance Committee Handbook promotes the development of an assurance framework to aid the Committee in fulfilling this role. See [Audit and Assurance Committee Handbook](#)
- C.14 The scope of the Audit Committee's work must be defined in its terms of reference and encompass all the assurance needs of the board and the principal. The Audit Committee must have particular engagement with internal and external audit, and must work with management and auditors to resolve any issues in relation to financial reporting.
- C.15 The Audit Committee must promptly pursue recommendations arising from audit reports and must monitor their implementation.
- C.16 The membership of the Audit Committee cannot include the board chair or the principal and, in line with the Audit and Assurance Committee Handbook, 'executive members of the organisation should not be appointed to the Audit and Assurance Committee', and the majority of members must be non-executive. The role of the college executive is to attend meetings at the invitation of the committee chair and to provide information for particular agenda items.
- C.17 The Audit Committee terms of reference must provide for the committee to sit privately without any non-members present for all or part of a meeting if they so decide. The Audit Committee members should meet with the internal and external auditors without the executive team present at least annually.

C.18 At least one member of the Audit Committee should have recent relevant financial or audit experience.

Remuneration Committee

- C.19 It is essential that members of the Remuneration Committee understand their role and responsibilities. Members must undertake the online training module for Remuneration Committees provided by College Development Network within one month of appointment.
- C.20 The board must have a formal procedure in place for setting the remuneration of the principal by a designated committee of non-executive members. The board may wish to supplement this by taking evidence from a range of sources. In particular, staff and students should have a role in gathering and submitting evidence in relation to the college principal to the relevant committee.
- C.21 The board chair cannot be the chair of the Remuneration Committee (but they can be a member of it).

Financial and Institutional Sustainability

C.22 The board is responsible for ensuring the financial and institutional sustainability of the body. The board must ensure compliance with its Financial Memorandum (either with SFC or the regional strategic body, depending on which is funding it), including in relation to incorporated colleges and regional boards, relevant aspects of the Scottish Public Finance Manual.

C.23 The board must ensure that:

- funds are used as economically, efficiently and effectively as possible
- effective monitoring arrangements are in place
- college staff report relevant financial matters to it.

C.24 For colleges that are charitable organisations, board members are also charity trustees. The board of a college that is a charity must ensure its members are aware of their responsibilities under charity legislation and for complying with relevant provisions as set out by the Office of the Scottish Charity Regulator. See [OSCR Guidance and Good Practice for Charity Trustees \(02.04.25\)](#)

Staff Governance

- C.25 The college board as the employer, is responsible for promoting positive employee relations and for ensuring effective partnership between recognised trade unions and management.
- C.26 The board must have a system of corporate accountability in place for the fair and effective management of all staff, to ensure all legal obligations are met and all policies and agreements are implemented and identify areas that require improvement and to develop action plans to address them.
- C.27 The college board must comply with collective agreements placed on it through national collective bargaining for colleges.

Section D: Effectiveness

The Board Chair

D.1 The chair is responsible for leadership of the board and ensuring its effectiveness in all aspects of its role. The chair is responsible for setting the board's agenda and ensuring that adequate time is available for discussion of all agenda items, particularly strategic issues. The chair must promote a culture of openness and debate by:

- encouraging the effective contribution of all board members
- fostering constructive challenge and support to the principal, executive team and fellow board members
- effective team-working
- positive relations between board members.

The chair must engage with the principal and the governance professional in a manner which is both constructive and effective.

D.2 The board and its committees must have the appropriate balance of skills, experience, independence and knowledge of the body to enable them to discharge their respective duties and responsibilities effectively.

Senior Independent Member

D.3 The board must appoint one of the non-executive members to be the senior independent member to provide a sounding board for the chair and to serve as an intermediary for the principal, other board members and the governance professional when necessary (see Annex 1 for the definition of 'non-executive'). The senior independent member should also be available where contact through the normal channels of chair, principal or governance professional has failed to resolve an issue or for which such contact is inappropriate. The senior independent member is also responsible for holding annual meetings with Board members, without the Chair, to appraise the Chair's performance and provide the Chair with relevant feedback

Further information on the role of the senior independent member can be found in [The Guide for Board Members in the College Sector](#).

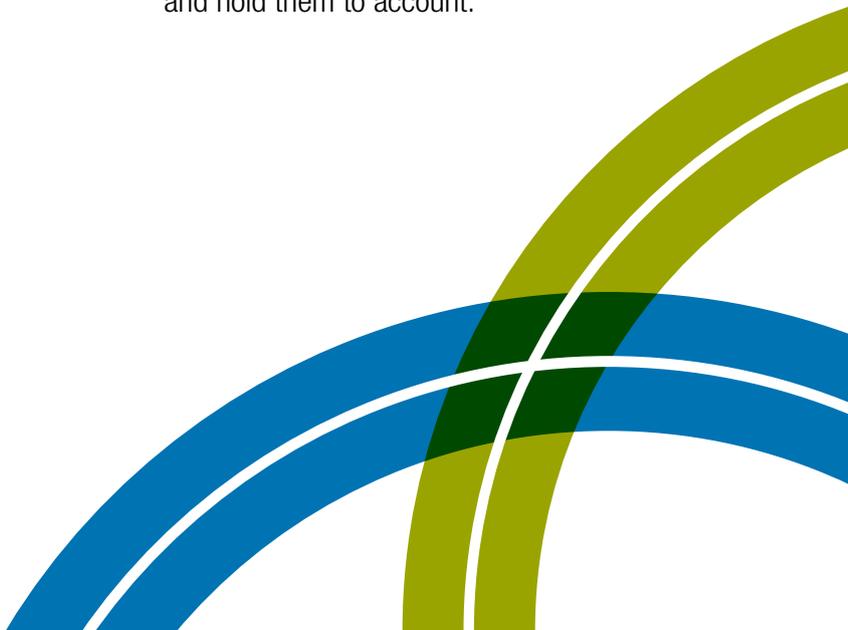


Board Members

- D.4 Each board member is collectively responsible and accountable for all board decisions. Board members must make decisions in the best interests of the college and/or region as a whole rather than selectively or in the interests of a particular group.
- D.5 Staff, student and trade union board members are full board members and bring essential and unique, skills, knowledge and experience to the board. Staff, student and trade union board members must not be excluded from board business unless there is a clear conflict of interest, in common with all board members.
- D.6 Where the college is a charity, all board members, as charity trustees, including staff, student and trade union board members, have legal duties and responsibilities under the Charities Act 2005. This includes registering any personal interests that could be seen as conflicting with the interests of the body. The 'objective test' for judging if there is a conflict of interest is:
- "... whether a member of the public, with knowledge of the relevant facts, would reasonably regard the interest as so significant that it is likely to prejudice your decision making in your role as a member of a public body".*
- D.9 The college board must delegate to the principal, as chief executive, authority for the academic, corporate, financial, estate and human resource management of the college, and must ensure the establishment of such management functions are undertaken by and under the authority of the principal.
- D.10 The college board must ensure a clear process is in place to set and agree personal performance measures for the principal. This process should seek the views of students and staff. The chair, on behalf of the board, should monitor, review and record the principal's performance, at least annually, against the agreed performance measures.
- D.11 The principal, as a board member, shares responsibility for good governance with the chair and all other members of the board, supported by the governance professional. The principal also enables good governance through supporting effective communication and interaction between the body and the rest of the college including staff and students.
- D.12 The board provides strategic direction for the region and/or college, and the chair provides leadership to the board. The principal provides leadership to the staff of the body.
- D.13 The board must provide a constructive challenge to the principal and executive team and hold them to account.

Principal and Chief Executive

- D.7 The college board must appoint the principal as chief executive of the college, securing approval for the appointment and terms and conditions of the appointment from the regional strategic body if necessary.
- D.8 The college board must ensure there is an open and transparent recruitment process for the appointment. Students and staff must have an opportunity to contribute to the recruitment process.



Governance Professional

D.14 The board must appoint a governance professional who is responsible to it and reports directly to the chair in their governance professional capacity. The governance professional may be a member of the senior management team in their governance professional capacity, but they cannot hold any other senior management team position at the same time. The appointment and removal of the governance professional is a decision of the board.

D.15 All board members must have access to the governance professional who has an important governance role in advising the board, the committees and individual board members and supporting good governance. The distinctive governance professional role includes:

- facilitating good governance and advising board members on:
 - the proper exercise of their powers, including in relation to relevant legislation
 - the board's compliance with its Financial Memorandum, the Code for Good Governance, its Standing Orders and Scheme of Delegation
 - their behaviour and conduct in relation to the board's Code of Conduct.

- providing clear advice to the chair and the board/committees on any concerns the governance professional may have that board members have not been given:
 - sufficient information
 - information in an appropriate form
 - sufficient time to monitor, scrutinise or make informed and rigorous decisions in an open and transparent way.
- attending and providing support to every board meeting and every meeting of every board committee. Where the governance professional is unable to attend, while the governance professional retains overall responsibility, proper arrangements must be made to cover the role with a person who is fully able to discharge the role effectively.
- having an unambiguous right to speak at board and committee meetings to convey any concerns they may have about governance. This extends to someone substituting for the governance professional.
- reporting any unresolved concerns about the governance of the body to the relevant funding body (i.e., SFC or the regional strategic body).

D.16 The board must ensure the governance professional:

- has suitable skills, knowledge and behaviours to carry out their role effectively
- receives appropriate induction, and if new to the role, is mentored by a more experienced governance professional for at least their first year
- has adequate time and resources available to undertake their role effectively.

D.17 The board must ensure arrangements are in place to deal with a governance professional's potential or real conflicts of interest.

Board Member Appointment, Induction and Training

- D.18 For boards with responsibility for board appointments, the board must ensure a formal and open procedure is in place for recruiting and selecting new non-executive board members. Boards must have regard to current Ministerial Guidance on board appointments.
- D.19 The board is responsible for ensuring appropriate arrangements are in place for the conduct of student elections and nominations, and elections and nominations of staff and trade union members to the board.
- D.20 The chair must ensure that new board members receive a formal induction on joining the board, tailored in accordance with their individual and collective needs. The governance professional should support the chair in the provision of relevant induction for new board members.
- D.21 The board must ensure all board members undertake appropriate training and development in respect of their governance role. The governance professional should support the chair in the provision of relevant training and development opportunities for board members, which should be tailored to meet board members skills and needs. The governance professional must keep records of the development activity of board members, including the chair.
- D.22 The board must ensure that new committee members receive a committee induction and have their specific training needs assessed and met.

Board Evaluation

- D.23 Extension of the term of office of board appointments requires evidence and the board must ensure appropriate mechanisms are in place to support this.
- D.24 The board must keep its effectiveness under annual review and have in place a robust self-evaluation process. There should also be an externally facilitated evaluation of its effectiveness every three to five years. The board should determine the timing for this externally facilitated review as part of the annual effectiveness review. The board is not required to conduct a self-evaluation of its effectiveness in the same year as an externally facilitated evaluation. The board must send its self-evaluation (including an externally facilitated evaluation) and board development plan (including progress on previous year's plan) to its funding body and publish them online.
- D.25 The board must agree a process for evaluating the effectiveness of the board chair and the committee chairs. The evaluation of the board chair should normally be led by the senior independent member.
- D.26 The board must ensure all board members are subject to appraisal of their performance, conducted at least annually, normally by the chair of the board.
- D.27 The performance of regional college chairs will also be evaluated by the Scottish Government, as regional college chairs are appointed by the Scottish Ministers and are personally accountable to them.
- D.28 The performance of assigned, incorporated college chairs will also be evaluated by the regional strategic body, as they are appointed by the regional strategic body and are personally accountable to them.

Section E: Relationships and Collaboration

Partnership Working

- E.1 The board must work in partnership to secure the coherent provision of high quality fundable further and higher education in their localities.
- E.2 The board must ensure effective consultation, local and regional planning and must follow the principles of effective collaborative working: mutual respect, trust and working towards commonly agreed outcomes.
- E.3 The board must ensure effective partnership working with local and national bodies including businesses, public and third sector organisations to develop commonly agreed priorities following the principles of effective collaborative working.
- E.4 The board must encourage and support effective partnership working and collaboration within and across regions to address local needs and meet national priorities and specialisms.



ANNEX 1

References and Definitions

- “**college**” means a college funded by either SFC or a regional strategic body.
- “**incorporated college**” means a college with a board of management under part 1 of the Further and Higher Education (Scotland) Act 1992.
- “**assigned college**” means a college assigned to a regional strategic body.
- “**board**” means the governing body of the college or to the regional strategic body.
- “**body**” means the organisation in question, i.e., a college or regional strategic body.
- “**principal**” includes where appropriate in the context, the chief officer or equivalent person of a regional strategic body.
- ‘**non-executive**’ means a member who is not the chair of the board and who does not otherwise hold a specific position on the board i.e., is not a student member or a staff or trade union member; and in the case of a college board, is not the principal; and in the case of a regional board is not the chair of an assigned college.
- The reference to a non-executive majority under C.7(d) reflects the underlying governance principle of ensuring an appropriate degree of independence and objectivity in all board decision-making. A board quorum should always require a non-executive majority. When determining a quorum, the chair of the board may be considered to be a non-executive member.
- The Court of the University of the Highlands and Islands (UHI) is the Regional Strategic Body (RSB) for the region and is the only RSB in Scotland.



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 College Development Network

 @ColDevNet



University of the Highlands and Islands

UHI Court Meeting [Hybrid]

Wed 12 November 2025, 10:00 - 17:00

Online via MS Teams and UHI House, Inverness

Quorum: 7 members (4 independent)

Members Present:

Alastair MacColl – Chair of Court

Andrea Robertson - Vice-Chair of Court and senior independent member [Online by VC]

Vicki Nairn - Principal & Vice Chancellor, UHI

Dr Fiona McLean – Rector [Online by VC]

Angus Campbell - Further Education Regional Lead

Dr Audrey Decou - Staff Governor

Rosemary McCormack - Staff Governor

Xander McDade - Student Governor

Holly Pearce - Student Governor

Jem Taylor – Trade Union Representative (UCU)

Scott Innes - Trade Union Representative (EIS-FELA)

Derek Lewis - Chair of UHI North, West, and Hebrides

Alex Paterson - Independent

Allan Clow - Independent

Paul Travill - Independent

Liz Stewart – Independent [Online by VC]

Helen MacInnes – Independent [Online by VC]

Calum Ross – Independent [Online by VC]

Apologies:

Malcolm Burr and Heather Offord

Attendees:

Prof Brian Williams - Deputy Principal, UHI

Lorna Walker – Chief Operating Officer and University Secretary, UHI

Max Brown – Director of Transformation, UHI

Mike Baxter – Chief Financial Officer, UHI

Nicholas Oakley – Governance Manager, UHI (Clerk)

Richard Emborg – Vice Principal Student Recruitment, UHI

Roger Sendall – Deputy University Secretary, UHI

Jashim Uddin, Sam Weaver, Mohamed Mansour, Lizzie Garland - KPMG

Victoria Erasmus – Chair, UHI Inverness (Observer)

Minute Key: **DECISION**, Action

1. Preliminary Items

1.1. Welcome and apologies

The Chair opened the meeting and noted the apologies from Malcolm Burr and Heather Offord. The Chair welcomed Victoria Erasmus as an observer.

1.2. Declarations of Interest

None.

1.3. Notification of other business

One additional item of reserved business was noted.

2.1.1. Minutes of 10 September 2025 meeting

Court **APPROVED** the minutes of 10 September 2025 meeting.

2.1.2. Minutes of the 08 October 2025 meeting

Court **APPROVED** the minutes of the 08 October 2025 meeting.

2.2. Matters arising

All matters arising were **NOTED** as covered in the agenda.

2.2.1. University Redundancies & UCU Industrial Action

Moved to reserved business.

2.2.2. Court Membership

Members formally recorded their congratulations on the appointment of Angus Campbell as Chair of HIE. It was noted that this created vacancies in the roles of Further Education Regional Lead and Chair of the Finance and General Purposes Committee (FGPC).

The Nominations Committee had invited Alex Paterson to assume the position of Chair of FGPC, and it was confirmed that this arrangement could be implemented immediately. Court duly **APPROVED** this appointment. The role of Further Education Regional Lead was then discussed; with the position described as a remunerated role. It was agreed that the appointment would initially be made for a period of one year, in order to allow time to assess the status of the transformation project. Expressions of interest were welcomed from independent members of Court to the University Secretary.

It was further noted that the observer positions on the Shetland and Inverness Boards would require replacement following these changes, and arrangements would be made accordingly.

Court **NOTED** the Court Membership update.

2.3. Delegated decisions

None reported.

3. Governance Matters

3.1. Director Responsibilities (Presentation)

Roger Sendall, Deputy University Secretary, provided an overview of the key responsibilities of Court members as well as an outline of the governance framework and the legal duties arising from their role. The presentation included the provisions of the Companies Act 2006, highlighting the obligations placed upon company directors. Attention was given to the issues of conflicts of interest and promoting the best interests of the company. Members were also given an overview of the pertinent sections of the Charities and Trustee Investment (Scotland) Act 2005, which sets out the general duties of charity trustees.

Members **NOTED** the presentation and it was **AGREED** that these materials would be made available to AP Boards as required.

3.2. SFC Good Governance Report

Members **NOTED** the SFC Good Governance report and noted that this would be revisited periodically as governance effectiveness reviews were conducted.

3.3. RSB Effectiveness Review Outcomes

Roger Sendall, Deputy Secretary, reported on the results of phase two of the RSB Effectiveness Review. It was **AGREED** that time should be allocated to examine the findings in greater detail, and that each AP would be asked to review the outcomes and return to the Regional Strategic Body with proposed actions considered necessary to address the matters raised.

The Deputy Secretary reported that the Court effectiveness review remained in progress, with results expected in December. Members recognised that these findings would provide an important opportunity for a wider discussion on governance and the future direction of oversight arrangements alongside the results of the RSB review.

Themes for discussion included the need for clearer and more consistent reporting, and within the context of the transformation project, it was acknowledged that there had been some diversion from core activities, raising concerns about governance and associated risks. These matters were formally **NOTED**.

Members **REQUESTED** that all Court minutes be made available on the public website once they were approved. Action: Publish Court minutes on public website once approved (Clerk).

4. Financial Sustainability

4.1. EO Budget Update

Mike Baxter, Chief Financial Officer (CFO), provided an update on the EO budget. It was reported that the cost of the redundancy scheme had reduced due to lower than forecast pension and severance costs. Monthly cashflow projections, which had been previously requested, were now included in the committee report. These projections were noted to be more positive than those presented in June.

Engagement continued with the Scottish Funding Council (SFC) regarding the financial transactions loan; and discussions had also been concluded with commercial lenders to seek alternative sources of funding without success. Court were advised that approval from the SFC was still awaited in respect of this support.

The CFO reported the SFC Board's requirement that financial plans and requests for financial assistance now be subject to external review and due diligence. It was confirmed that PwC had been appointed to undertake these independent reviews, and UHI was not unique in this requirement. The timing of the SFC decision and the additional due diligence were discussed at length. Strong concern was expressed regarding the length of time the new process undertaken by the SFC was taking and the real impact on UHI and UHI's partners awaiting decisions. Court **AGREED** that the Chair of Court would write again to the SFC, thereby creating a clear audit trail of the concerns raised and the delays experienced. It was further suggested that a discussion should be sought with the Chair of the SFC to reinforce the points raised.

Action: Chair of Court to write to SFC to discuss financial support decision delays.

Consideration was then given to the question of when SFC funding was required. It was noted that drawdown timings remained subject to negotiation, but that cashflow projections indicated a dip in March/ April 2026. For APs, the timing of cashflow pressures varied, and it was noted that shortterm measures would be implemented to help manage and smooth these issues. It was emphasised, however, that such measures would not constitute lending or any underwriting by the RSB, but rather the management of cashflow through mechanisms such as the deferral of clawback and grant advances.

Members noted that all financial projections were based on the assumption that the SFC would provide the financial transactions loan. It was recognised that the greatest risk lay in the potential impact of wider sector issues on UHI and the pressures on SFC and SG funding to assist other Scottish HEIs in financial distress, and members questioned at what point liquidity would become critical and how best to ensure that UHI leveraged any potential additional funding. It was **AGREED** that engagement with the SFC and the SG/ Cabinet Secretary should continue.

Court **NOTED** the EO Budget update.

4.2. AP Financial Sustainability

Court **NOTED** the AP Financial Sustainability report.

4.3. Performance Update

Members reviewed and **NOTED** the performance update. One member highlighted that there were a number of "red" markers and asked whether these indicators needed to be reviewed or they reflected a wider issue around capacity to deliver. The Chief Financial Officer highlighted a number of targets in relation to RUK and International recruitment targets that required revision to reflect current market conditions. Action: Review "red" indicators and report back to next meeting on capacity/ resourcing issues. Update recruitment targets in respect of RUK and International recruitment to reflect market conditions.

Members **REQUESTED** annual business plan for 2025/26. Action: Provide 2025/26 annual business plan to next meeting.

5. Student Recruitment Update

Richard Emborg, Vice Principal Student Recruitment, gave members an update on student recruitment. The paper and briefing covered both FE and HE performance, highlighting areas of growth, challenge, and opportunity.

On FE, demand was reported to continue to exceed availability of funded places, with mid-cycle overdemand estimated at around 18- 20%. Work was underway to move towards a financially sustainable model of provision, with a focus on increasing the size of existing cohorts. It was noted that there had been a slight decline in credit allocation in both the current and previous year. Members queried whether capacity existed to meet demand and requested refreshed data to quantify unmet need.

Action: Refresh data & provide update on unmet FE demand (VP SR).

For HE, growth was observed in non-controlled core SFC student numbers and in postgraduate taught programmes delivered outside Scotland. A renewed effort was being made across the partnership to strengthen competitiveness in the market, with investment in brand development and marketing. It was reported that although competitors had targeted UHI's markets, this had not had a discernible impact on recruitment. The international market was considered unlikely to provide significant growth given its overall decline and increasing competitiveness and burdensome regulatory environment.

Demographic trends were discussed. Although the number of 18-year-olds is rising, the proportion applying via UCAS has steadily fallen in recent years. Growth in applications was occurring at a slower rate in Scotland compared with the rest of the UK, with 18 year old applications to higher education via UCAS forecast to increase in the current admissions cycle by 4.3% across the whole UK, but only by 1.6% in Scotland.

VP Student Recruitment emphasised the importance of collaboration across the partnership. Whilst structural challenges were acknowledged, it was agreed that where collaboration occurred it produced positive outcomes and enhanced effectiveness. Work was underway to reinvigorate the marketing strategy and a commitment to sharing experiences and best practice.

The VP Student Recruitment highlighted ongoing curriculum development, with efforts being made to revise the offering to ensure that products were attractive and responsive to market demand. Work was being undertaken to ensure that applicants received a clear and easily understood message about the value and opportunities of studying at UHI. The student experience was also highlighted as a priority, with a commitment to ensuring consistent high quality across all partners in tone, presentation, and delivery. Sharing of resources and best practice was encouraged wherever possible.

The role of technology and data was discussed. Systems were now being used in a more targeted and strategic manner to provide insight into performance. Active discussions were taking place around the Graduate Apprenticeship curriculum, which was recognised as a strategic focus for APs.

A member queried whether all Scottish colleges were subject to caps on student numbers to the same extent as UHI. It was reported that lobbying was ongoing with Workforce North and the SFC, and that UHI was not unique in the sector, with approximately 80% of colleges reported to be

lobbying for additional funding due to unfunded demand. This reflected a wider shift from traditional degrees towards graduate apprenticeships and skills-based employment.

Further discussion addressed strategies for managing unmet demand in FE. It was noted that some APs were enrolling unfunded students as a recruitment tool in order to increase progression/ articulation into UHI'S HE offering, and that active strategies were being pursued to increase cohort sizes without increasing base costs.

The item concluded with congratulations offered to the student recruitment team for the positive progress achieved. Members encouraged the continuation of the actions outlined and agreed that efforts should be intensified to address unmet demand in FE.

Court **NOTED** the Student Recruitment update.

6. Operating Model

Vicki Nairn, Principal and Vice Chancellor, provided an introduction to the operating model work. The presentation outlined the background to the transformation project, including reference to previous attempts at reform, and set the current context together with the opportunities available. The potential for growth and wider economic opportunities across the region was emphasised as a key driver for change.

The proposals included the consolidation of all corporate services into shared or single service arrangements in order to reduce costs; the consolidation of academic management structures including those within the Executive Office; and the integration of leadership functions to reduce expenditure while enhancing decision-making and accountability. Consideration was also given to the exploration of new governance arrangements and the extent to which these could be delivered within the existing framework.

Members were advised that the modelling work was causing some trepidation amongst APs, and it was recognised that navigating the political dimensions of the transformation would require careful handling.

The financial implications of the options were discussed, with Option 3 projected to deliver savings of £3.78 million, while Option 6, representing full integration, was projected to deliver savings of £9.45 million. It was noted that the level of integration would depend upon legislative change.

[Redacted]

[Holly Pearce left the meeting]

Academic Vision

Prof Brian Williams, Deputy Principal, provided an overview of the Academic Vision for the transformation project. The presentation set out a sectoral approach to development, which members welcomed as a means of strengthening the role of FE in addressing gaps within the economic and skills agenda. It was emphasised that UHI's mission to tackle economic disadvantage must be incorporated into the vision, ensuring that the institution remained aligned with its founding principles and wider social responsibilities.

Members reflected on how the vision would be perceived by external audiences, questioning what would be new about UHI as a result of the proposed changes and how the sectoral approach could be articulated to highlight opportunities. Consideration was also given to the risks of adopting a distinctive model, with concerns expressed about whether differentiation might expose the institution to additional challenges.

Discussion highlighted the importance of aligning with Scottish industry sector groups. Caution was raised that an excessive focus on industry demand could risk marginalising the humanities, social sciences, and the critical thinking skills. Members voiced concern that such an approach might also diminish the visibility of Gaelic, culture, and heritage, which were integral to UHI's identity. Whilst recognising that the Scottish Government was increasingly prioritising industry-focused outcomes, members stressed the need to safeguard broader academic disciplines and cultural contributions.

Support was expressed for the sectoral approach as a means of reinforcing UHI's relevance to the communities it served, with acknowledgement that the institution operated differently from others in the sector. The presentation emphasised that sectoral differentiation could be used to engage more meaningfully with communities and stakeholders. It was recognised, however, that further work was required on risk assessment, particularly in understanding and protecting vital areas such as the humanities and in ensuring that this was communicated effectively.

Members discussed the public consultation, and its importance in shaping the sectoral approach. The response of staff to the sectoral model was also identified as a key factor in its development and would need to be refined through consultation and dialogue.

Financial Case and Baseline

Mike Baxter, Chief Financial Officer, provided an overview of the financial case and the financial baseline for the transformation project. The presentation included forecasts and outlined the requirements necessary to achieve financial sustainability, defined as an annual return of between 1.5% and 3% of annual turnover, together with the maintenance of liquidity at a minimum of 60 days.

The financial baseline was derived from partner Financial Forecast Returns (FFRs) prepared using common assumptions. It was noted that the benefits of the TOM had been excluded from this baseline, and that the funding requirement had been identified on the basis of these assumptions. The treatment of existing grant advances and loans from the Scottish Funding Council remained to be determined and advice had been sought. It was noted that all partners were actively addressing deficits through financial recovery plans to varying degrees. Consideration was also given to the timings of implementation, as well as the implications for pensions and VAT.

[Redacted]

The baseline assumptions were explained to include unfunded pay awards, with a focus placed on achieving efficiencies and growth. Attention was drawn to the need for capital investment, and members queried the assumptions being made in relation to infrastructure, maintenance, and

estates. It was confirmed that 2024 estates data and investment plans would be incorporated into the modelling, but that no assumptions had yet been made regarding estate rationalisation.

Concerns were expressed that the longer the transformation process took the greater the difficulties in managing deficits would become. Reference was made to the wider college sector where it was anticipated that up to 90% of institutions were likely to be in deficit in the coming years, compounded by reductions in funding and limited availability of capital investment.

The discussion concluded with recognition of the scale of the financial challenge and the need for timely implementation to mitigate financial exposure and risks.

[Holly rejoined the meeting]

Operational Design

Lorna Walker, Chief Operating Officer and University Secretary, provided an overview of the operational design impacts, including the overall savings of the proposed options. A detailed assessment of the overall savings associated with the proposed options was also presented. The analysis covered professional services, academic practice, and leadership activity, with comparisons drawn between the current position and the projected outcomes under Options 3 and 6.

[Redacted]

The OD presentation session was concluded with a confidential overview of the leadership structures under consideration by Vicki Nairn, Principal and Vice Chancellor. Three options were presented in detail, namely Option 3.1, Option 3.2, and Option 6. The assumptions underpinning each model were described, and indicative structures, roles, and responsibilities were outlined. It was noted that transformation costs would vary depending on the preferred model selected.

Members acknowledged that Option 6 would require legislative change, and discussion took place on whether elements of Option 6 could be incorporated into a revised option, thereby enabling progress to be made in advance (or indeed absence) of legislative reform.

Economic Case

[Jashim Uddin, Sam Weaver, Mohamed Mansour, Lizzie Garland, all of KPMG, joined the meeting]

An economic appraisal prepared by KPMG was presented. The appraisal set out the costs, benefits, and risks associated with the proposed options, together with a detailed analysis of the Net Present Social Value (NPSV) over a ten-year period.

Option 6 was shown to deliver a positive NPSV of £10.3 million, compared with a negative NPSV of £5.3 million for Option 3, when measured against the “do nothing” scenario. For Option 6, the benefits were calculated at £49.9 million, with costs of £39.3 million and a net risk of £0.3k. KPMG explained the composition of these benefits and the projected changes in NPSV over the ten-year horizon, assuming a start date of 2026. It was noted that a breakeven point would be reached in 2034 when cumulative benefits would begin to outweigh costs, with an investment phase anticipated until 2033.

A similar analysis was provided for Option 3, which indicated benefits of £26.6 million, costs of £30.5 million, and a positive risk impact of £1.5 million, resulting in a NPSV of £-5.3 million. The ten-year forecast for Option 3 did not achieve break-even within the period, although annual incremental benefits were projected to peak in 2030.

The management case was assessed against the criteria of feasibility, affordability, desirability, and optimality. It was emphasised that the appraisal was based on assumptions and remained in draft form, having been prepared in line with Green Book guidance and supported by detailed data and evidence.

Members considered the preferred way forward, noting that legislative change remained uncertain in terms of feasibility and timing. The proposed approach was to deliver as much of Option 6 as possible prior to legislative change, adopting a phased model. This would involve an initial mobilisation period, followed by implementation of the Target Operating Model. From August 2028, constitutional change involving legislation was anticipated, with a final phase of integration scheduled from August 2030.

Key enablers identified for successful delivery included interim governance arrangements, the establishment of a tertiary academic structure, a unified curriculum, a unified marketing strategy, shared service models, delegated decision-making and reporting lines, a unified approach to planning and finance, data-sharing agreements, and common policies and systems.

The presentation concluded with consideration of how authority should be conferred at the next stage to enable decisions to be taken in the final development of the full business case.

Members' Discussion

The Chair invited all members to discuss the presentations, with a view to providing the executive team and KPMG with the authority to proceed to the final development of the full business case.

Members reflected on the pragmatic need to balance immediate opportunities with longer-term ambitions, while acknowledging the feedback received from Academic Partners and other stakeholders.

It was observed that Option 3 did not provide a solution to financial sustainability and was regarded as insufficient, effectively maintaining the status quo without delivering significant change. In contrast, Option 6 was identified as the preferred destination, though it was recognised that legislative change would be required to achieve it. The uncertainty surrounding the forthcoming Scottish elections was noted as a factor in the timing of such change. Nevertheless, members agreed that Option 6 represented the most ambitious and transformative pathway, capable of demonstrating to stakeholders that the institution was prepared to embrace reform. It was proposed that Option 6 should be collectively realised as the ultimate goal, while maximising the opportunities available under Option 3 in the interim.

Members emphasised that the current environment presented both challenges and opportunities. It was noted that public sector reform was being actively pursued by the SG, and that this context provided a significant opportunity for UHI to position itself as a leader in change. Option 6 was highlighted as offering the greatest efficiencies and cost savings, together with the potential to establish a unified leadership structure under a single UHI. However, questions were

raised about whether Option 6 alone would deliver full financial sustainability, and whether a clear profit and loss model had been developed to demonstrate this.

Concerns had been raised regarding the implications of transferring employees from the public to the private sector. The indicative timescales presented by KPMG were also considered, with the suggestion that these may need to be accelerated.

Several members recommended that Option 3 should be abandoned entirely, as it was not transformational and risked undermining momentum or providing an opportunity to destabilise or stall change. It was suggested that variations of Option 6, such as staged approaches (“6a” and “6b”), could provide flexibility while maintaining focus on the ultimate destination. The importance of clear and compelling communication was stressed, with calls for a simplified narrative and vision statement that could be easily understood by stakeholders and the wider public.

Concerns were expressed about the risks of delay, with members noting that prolonged uncertainty could have adverse impacts on staff morale, student confidence, and institutional credibility. It was agreed that timing was critical, and that the process should be designed to minimise disruption and deliver financial savings as quickly as possible. Reference was made to previous attempts at incremental change which had failed to deliver meaningful outcomes, and it was emphasised that the current opportunity must not be lost.

The debate highlighted the need for strong engagement with the SG and the SFC. Members noted that the SG expected UHI to bring forward its own solution, rather than imposing change externally. It was agreed that lobbying and direct engagement with senior officials and ministers would be essential and that the case for reform must be presented in a clear and persuasive manner.

The discussion also addressed the importance of building trust between AP Boards and the Court. It was acknowledged that previous integration exercises had provided valuable experience, but that cultural and political factors had hindered progress.

Throughout the debate, consensus emerged that Option 6 was the only viable route to financial sustainability and truly transformational change to meet UHI’s mission and long-term strategic goals. While there was recognition that legislative change might take time, members heard that preparatory steps could be taken to consolidate activities within a single college structure, subject to ministerial approval, thereby positioning the organisation to move swiftly once legislation was enacted. Members requested more information on such an approach.

Concerns were raised about the adequacy of financial modelling, with questions posed about the assumptions underpinning KPMG’s assessment and the potential risks if projected savings did not materialise. Members emphasised the need for robust analysis and clarity on the implications for pensions as well as staff terms and conditions. It was further noted that the student experience must remain central to the transformation, with a request for more investment in student services and HISA as part of the transformation project. It was also noted that feedback from students via transformation survey HISA representation would be considered and included in the full business case.

Members unanimously **AGREED** that Option 6 should be pursued as the clear destination, supported by a roadmap that incorporated key enablers and potential staging points to allow progress even without immediate legislative change. It was resolved that further modelling of Option 6 would be undertaken, including consideration of interim measures, and that engagement with the SG and SFC would continue to ensure alignment and support.

7. Minutes from Committees of Court

Court **NOTED** the following minutes of the committees of Court:

7.1. F&GP Committee: 06/10/2025

7.2. Audit Committee: 18/09/2025

7.3. People Committee: 29/09/2025

7.4. Foundation: 24/09/2025

7.5. Remuneration Committee: 22/09/2025

8. Any Other Business

9. Reserved Business

[Redacted]

10. Close of meeting

There was no other business and the Vice Chair closed the meeting at 16:31.

Approved on: 17/12/2025

Published on: 18/12/2025