

Board of Management

Meeting	Special Meeting of the Board of Management
Date and time	Friday 27 th April at 8.45 a.m.
Location	Room 01/02/03 – An Lochran

Board Secretary
19 April 2018

AGENDA

Welcome and Apologies Declarations of Interest

1. **PROPOSED SMT STRUCTURE (CONFIDENTIAL)**
Report by Principal

If any member wishes to add an item of business to the Agenda, please inform the Chair and the Board Secretary 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.

Board of Management

Subject/Title:	Proposed SMT Structure – Further Information
Author: [Name and Job title]	Prof Christopher O’Neil, Principal & Chief Executive
Meeting:	Special Board of Management
Meeting Date:	27 April 2018
Date Paper prepared:	18 April 2018
Brief Summary of the paper:	Further information regarding the proposal to develop and realign responsibilities of SMT
Action requested: [Approval, recommendation, discussion, noting]	Approval
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 	<ul style="list-style-type: none"> • compliance • partnership services • risk management • strategic plan • new opportunity/change
Resource implications:	Yes If yes, please specify: Funding to be made available from EO
Risk implications:	Yes If yes, please specify: Operational: structure needs to develop in order to respond to the wider environment Organisational: structure needs to develop in order to respond to the wider environment Please see attached Risk Assessment
Equality and Diversity implications:	No If yes, please specify:
Consultation: [staff, students, UHI & Partners, External] and provide detail	Staff - limited UHI – Principal & Chief Executive External - critical friend

Status – [Confidential/Non confidential]	Confidential		
Freedom of Information Can this paper be included in “open” business* [Yes/No]	No		
*If a paper should not be included within “open” business, please highlight below the reason.			
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Its disclosure would substantially prejudice the commercial interests of any person or organisation (S33)	X	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)	
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Summary of Forecast Financial Impact					
	Year 1	Year 2	Year 3	Year 4	Year 5
	2018/19	2019/20	2020/21	2021/22	2022/23
Expenditure					
Investment in SMT	122,167	122,167	122,167	122,167	122,167
Investment in SMT - non pay	10,484	2,420	2,420	2,420	2,420
Investment in Quality	17,529	17,529	17,529	17,529	17,529
Total Investment	150,180	142,116	142,116	142,116	142,116
Funded by:					
Strategic Investment Fund	101,337	93,273	-	-	-
HE growth - optometry	-	-	45,085	150,543	382,273
HE growth	-	-	-	20,000	60,000
International / RUK students	66,600	158,100	310,000	310,000	310,000
Improved retention	10,000	20,000	30,000	30,000	30,000
Growth in apprenticeships FA/GLA/MA	60,000	60,000	60,000	60,000	60,000
Total Income / Funding streams	237,937	331,373	445,085	570,543	842,273
Return on investment	87,757	189,257	302,969	428,428	700,157

Year 1 & 2 – international RUK numbers are based on 12 FTEs, less associated costs
 Years 3-5 – based upon 15 FTEs for international and 20 FTEs for RUK.

These numbers are in line with both Inverness and central SMART targets.

Apprenticeship growth figures are based upon the SMART targets set with EO.

The optometry figures are based upon the existing business plan and do not include any additional international students as expressed above.

The opportunities to develop additional programmes attracting RUK and full cost international students over and above the SFC contract range are numerous and include a development that has been taken up by the whole of UHI to look at negative carbon architecture and its economic and technological needs. It does however require the leadership and management of experience and senior member of the management team.

Proposed Structure

To remind the Board, the structure has been developed following:-

1. Internal consultation with senior staff
2. Consultation with Prof Clive Mullholland
3. Informal consultation with members of the Board of Management
4. Informal “testing” with critical friends

The proposed structure will:-

1. Enhance and promote our tertiary character. This will be achieved through an “executive” triumvirate. One DP will manage and drive FE and HE academic development whilst the other will manage and drive quality, planning and performance for FE and HE all within the context of the Principals strategic responsibilities and effective operational delivery. The structure gives both DPs the opportunity to learn and develop from the other.
2. Develop active links – we are committed to developing research, applied knowledge transfer and HE growth by better using the HE environment across the partnership. There will be impact upon research outcomes, applied applications for local economies and themes that will be unique to UHI and the region.
3. Improve resilience and succession planning by sharing responsibility through a matrix structure whilst giving clear themes and responsibility through committee, strategic and Board reporting.
4. Map the roles and responsibilities onto key functions and individuals within the centre via a “dotted line” principal. This will improve communication, enhance effective delivery and ensure that our links for example to the SFC via EO are managed and maintained. This principle will work pre integration and following conversations with professor Mullholland become a model post integration. As per the thinking developed via the governance and management paper.
5. Clarify and identify work streams for a successful integration
6. Clarify the link between UHI strategy, Inverness’s overarching strategy and the underpinning strategies. Further, it will ensure there is “horizontal” reporting between key members of staff to recognise and promote best practice or to identify challenges or shortfalls.
7. Ensure a reporting methodology is both formalised via committees and “informally” proactive.

Risk Assessment

Following internal discussion, members of the SMT examined the risks associated with an additional DP and developed the following to address point a) as requested by the Board.

In light of the UHI Regional Strategic HE growth objectives and to enhance our reputation as an outstanding tertiary institution, it is recognised that to capitalise fully on the opportunities available there is a requirement to develop the senior management team at UHI Inverness by attracting expertise from post ‘92 institutions.

Developing the Senior Management structure to achieve the Inverness College UHI Strategic Plan requires focus on the quality agenda, growing our international and RUK student numbers and building capacity within research, as well as reviewing existing provision and clearly identifying strengths and targeted areas for curriculum development. These in turn support the achievement of sustainability and enable the College to address the significant financial challenges resulting from national pay bargaining and job evaluation, against a backdrop of short term funding and no medium to long term funded growth.

The overall risk is that without investing to grow alternative income streams and provision, the College will be in the position of reducing staffing numbers and opportunities offered.

Current risks that will be mitigated by the proposal:

- Fail to achieve RUK/International student numbers
- No further growth in apprenticeships
- No improvement in student recruitment/retention (quality)
- Fail to capitalise on growth from Optometry investment (CPD, full fees)
- Fail to adequately compete due to lack of appropriate HE university experience within UHI
- Fail to maximise student numbers within limited HE growth opportunities (offering not sufficiently attractive)
- Maximisation of class sizes (UHI below current benchmarks)
- Links between research, employers and curriculum

Conclusion

We seek support for these proposals.

Board of Management

Subject/Title:	Proposed SMT Structure
Meeting and date:	Special Board of Management – 27 April 2018
Extract from Minutes of the Meeting of the Board of Management held on 22 March 2018	

PROPOSED SMT STRUCTURE

The Principal set out the rationale for a proposed restructure of the Senior Management Team. He had presented the proposal to the PR&R committee at its meeting on 22 February and provided further information for this meeting on the process of developing the proposed structure as well as costings. Key to the restructure was the establishment of a second deputy principal (DP) post which would complement the work of the existing deputy principal and develop and grow the HE offering. Funding had been secured for this post from UHI for two years. The post would have significant impact on the wider University and become cost neutral during the first two years. In addition, it was proposed that changes be made to two current roles. The Head of Research Development role would become Director of Research and Innovation and the Quality Manager role would become Head of Quality.

There was a lengthy and robust debate on the proposals with members asking a number of searching questions. The key points raised and considered were as follows:-

- The college was at risk of not achieving its strategic aims if the current structure was retained.
- The summary of forecast financial impact showed a return in investment in year 1. Key to achieving the investment return was recruiting the right individual to the new DP role.
- The current SMT could be developed over time to develop their capability to take forward the proposals. However, the team were already working to full capacity.
- It would be essential for the Board to track the success of the new DP post over the first two years in order to determine whether the college would then provide funding for the longer term.
- It was anticipated that the growth in international and RUK students would mostly be at HE level.
- The salary of both DP's would be at the same grade.
- There was a need for the risks associated with the proposals (and those associated with the status quo) being fully articulated.

ITEM 1a

- The impact of the recent National Bargaining costs would, at this stage, need to be met from 2018/19 onwards. Therefore, there was an urgent need to ensure a return on investment to avoid compulsory redundancies.
- It was proposed that the investment would assist in increasing numbers on existing courses. Enhanced marketing, student support and the availability of the student residents for international students was key to achieving this aim.

Gabbi Starr entered the meeting and Andy Gray left the meeting.

- Could the planned growth still be met if the Research and Quality posts remained unchanged?
- It was critical to ensure that any decision of the Board had been reached through a process of due diligence on all issues proposed.
- Research was key to growing the reputation of the University and the enhancement of the quality post would ensure there was not a repeat of the issues identified around Higher Media Studies.
- Reassurance was required that the financial impact forecast for the years 2018-19 to 2022-23 could not be achieved without structural change.
- The new DP role would be a permanent post but would be subject to performance appraisal and meeting targets, as with every other post within the organisation.

Hazel Allen left the meeting.

- It was recognised that the current SMT was an excellent team. The risk of disrupting the team dynamic by bringing in another team member would be minimal.
- There was the potential of negative press if a senior position was established at this difficult financial time.
- Concerns were expressed over the provenance of the figures provided.
- The restructure would allow the college to protect jobs, to grow and provide opportunities for individuals within the organisation.
- Due process would be followed in respect of appointments to the enhanced Research and Quality roles.

The Chair summed up the debate suggesting that there was a general feeling of support for the proposals but questions remained on the format of the proposed SMT structure, on some of the figures provided and that clarification was required on some of the inherent risks. There could be a reputational risk to the college in investing money in senior posts but suggested that these costs were not significant when taken alongside the costs resulting from National Bargaining.

The Chair proposed, and the Board of Management was unanimous in **AGREEING** in principle to the proposed SMT restructure and establishment of the new DP post but subject to

- a. Articulation of all the risks associated with the proposal
- b. the new DP post being monitored on an ongoing basis and
- c. further evidence being provided on the ability to achieve the forecast financial impact.

The Principal was asked to report back to the Board of Management on these issues at the Board Development day on 27 April 2018.

Board of Management

Subject/Title:	Proposed SMT Structure
Author: [Name and Job title]	Prof Christopher O'Neil, Principal & Chief Executive & Lindsay Ferries, Director of Operational Development
Meeting:	Board of Management
Meeting Date:	22 nd March 2018
Date Paper prepared:	14 th March 2018
Brief Summary of the paper:	A proposal to develop and realign responsibilities of SMT as previously presented to PR&R but with a prologue laying out options considered and a business plan.
Action requested: [Approval, recommendation, discussion, noting]	Approval
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 	<ul style="list-style-type: none"> • compliance • partnership services • risk management • strategic plan • new opportunity/change
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Equality and Diversity implications:	No
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Prologue

The following paper was presented to the Performance, Review and Remuneration Committee on 22 February 2018.

There was significant discussion around the rationale for the proposed structure and a request for further information relating to the business case and indications of other options that had been considered.

Therefore, prologue 1 offers a number of alternative structures that were considered and evolved to the final proposal.

Prologue 2, the business case, has been included to demonstrate minimum income both core and non-core that an additional VP with HE expertise would be expected to generate as part of their KPIs. In addition, the costing of uplifting a Head of Research to a Director of Research (with some indication of additional income) has been included as has the cost of uplifting a Quality Manager to a Head of Quality in order to mitigate against quality risks.



Board of Management

Subject/Title:	Proposed SMT Structure
Author: [Name and Job title]	Prof Christopher O’Neil, Principal & Chief Executive & Lindsay Ferries, Director of Operational Development
Meeting:	Performance, Review and Remuneration Committee
Meeting Date:	Thursday 22 February 2018
Date Paper prepared:	16 February 2018
Brief Summary of the paper:	A proposal to develop and realign responsibilities of SMT
Action requested: [Approval, recommendation, discussion, noting]	Approval
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