

**MINUTE OF THE SPECIAL COURT MEETING (UC)
UNIVERSITY OF THE HIGHLANDS AND ISLANDS
HELD ON WEDNESDAY 22nd FEBRUARY 2012
AT THE EXECUTIVE OFFICE, INVERNESS
AT 11:00 HRS**

PRESENT: Professor Matthew MacIver (Chair)
Jack Watson
Wilma Campbell
James Fraser
Janet Hackel
Professor Anton Edwards
Professor Donald MacRae (exit at 12:25)
Professor Kenneth Miller
Dr Bruce Nelson (VC from 12:00)
Michael Gibson
Dr. Fiona Skinner
Eileen Mackay
Nathan Shields
Thomas Prag
Norman Sharp
Aideen O'Malley
Dr Brian Chaplin (VC)
Murray McCheyne
Dr Alistair Mair
Andy Rogers
Hugh Morison
Penny Brodie
Niall Smith
Iain Scott
Dr Michael Foxley
Jean Urquhart

IN ATTENDANCE: Gordon Jenkins
Martin Wright
Fiona Larg
Lorna MacDonald
Dr Crichton Lang
Dr Jeff Howarth
Roger Sendall (minutes)

APOLOGIES: Dr Jana Hutt
Ertie Nicholson
Allan Wishart
Rt Hon Lord William Prosser
Joe Moore
Euan Smith
Professor Bill McKelvey
Garry Coutts

ITEM	ACTION
1 INTRODUCTION	
1.1 Welcome and Quorum.	
It was noted that a quorum was present.	
The Chairman welcomed Iain Scott to his first Court meeting. The Chairman then reported that he had received a letter from Jean Urquhart advising that she had reluctantly decided to tender her resignation from Court effective immediately following today's meeting. It was noted that the reason for this decision related to difficulty balancing commitments following her successful election to the Scottish Parliament in 2011. It was noted that Jean remained committed to supporting the university and Court thanked her for long and dedicated service.	
The above apologies were noted.	
1.2 Declarations of Interest: None	
1.3 Notification of other business: None.	
2 MINUTES	
2.1 Approval of Minutes.	
The Court resolved to approve the minutes of the meetings held on 13 th December 2011 (UC11-172) and 19 th January 2012 (UC12-001).	
It was noted that Penny Brodie had attended the meeting on 13 th December 2011 by VC.	
2.2 Matters Arising.	
Court considered the paper UC12-002.	
The Secretary reported that items 2 and 5 were on-going. It was noted that Court would receive a full report in connection with item 5 (Review of Disclosures) in due course.	Secretary
3 CAPITA REPORT – Consideration of final report and recommendations.	
The Chairman thanked AP Chairs for providing Court with written responses relating to the capita report following consultation with their Boards of Management.	
The Chairman explained that following An Comann on 19 th January 2012 that all AP Chairs, the Principal & Vice Chancellor, university Secretary and the Chair and Vice Chair of Court had all attended a meeting with the Cabinet Secretary for Education and Lifelong Learning in Perth on 31 st January 2012. Regrettably, a formal minute of the meeting had not been received to date and since independent members of Court had not had opportunity to attend the meeting the Chairman requested the Principal & Vice Chancellor to provide Court with an overview of the discussion and anticipated outcomes.	

The Principal reported that the Cabinet Secretary had proposed a novel solution for the integrated delivery of HE and FE within the Highlands and Islands region in accordance with a triumvirate approach. This proposal received unanimous support from the meeting and it was understood that the Cabinet Secretary had subsequently instructed the Scottish Funding Council (SFC) to progress a working proposal for consideration at another meeting planned for early March. However, it was noted that the Cabinet Secretary had been ill in the interim and that the pace had slowed. As a consequence the next meeting was now expected to be held in April.

The Principal reported that he had been in discussion with the Cabinet Secretary's aids and that a formal minute of the meeting held on 31st January was expected before the end of February. He noted that the proposal made by the Cabinet Secretary at the meeting was high level and that a number of areas required greater clarity therefore the comments in bullet format below should be regarded as his perceptions rather than a definitive account of the meeting.

- The Cabinet Secretary had indicated that a regional body for planning FE would be established for the Highlands and Islands area in accordance with the same geographical boundaries as applied to the University for HE delivery.
- The planning of FE and HE would be integrated at both a governance and management level.
- The proposed triumvirate structure would involve the UHI Principal and two Associate Principals. One Associate Principal would have responsibility for FE and serve as Chair of the regional body for FE, the other would have responsibility for research and oversight of the specialist colleges.
- It was presently not clear as to how FE funding would flow to FE colleges.
- HE funding would continue to be delivered through UHI.
- There would be a relationship between the FE governing body and the university Court perhaps through Court member representation on the FE body.
- The size of Court would be reduced consistent with recommendations made within the national HE governance review led by Professor Ferdinand von Prondzynski. This would include a majority of independent non-executive directors.

The Chairman invited AP Chairs to report any additional observations from the meeting for the benefit of the independent members prior to further discussion.

It was reported that the meeting had left a number of questions unanswered with regard to whether the Cabinet Secretary envisaged that a new regional funding body for FE would also have HE responsibility.

In answer to a question about the anticipated scope of the working proposal to be developed by the SFC, the Principal explained that he expected that the document would comprise a high level outline of the organisational structure. It would most likely include a clarification over the role, powers and duties of the new FE funding body and its relationship with Court and also identify funding flows. Detailed arrangements would need to be identified and agreed by the parties involved.

Court noted that independent governors had to date had limited opportunity to engage with and influence this process and it was agreed that measures must be introduced to ensure that all members were able to contribute to the discussion. It was noted that the minute of the meeting held on 31st January would be circulated to members as soon as it was made available.

In answer to a question about whether any significant issues had not been discussed at the meeting on 31st January, the Principal reported that the Cabinet Secretary had only been interested in discussing issues relating to the new regional body for FE and the relationship with UHI. No discussion had occurred in connection with specific recommendations made by Capita relating to ordinary business such as developing shared services and opportunity existed for Court to press on with implementing building blocks outside the scope of the Cabinet Secretary's interest.

It was noted that Court had concerns over the Cabinet Secretary's intervention and decision to instruct SFC to develop a model for the future governance of HE and FE in the Highlands and Islands in terms of lost influence. In particular members wished to be reassured that the solution presented by the SFC took full account of the Investment Objectives agreed by Court in development of the Capita report. In addition, concern was expressed that development of a distinct regional body for FE that was separate entity to the HE body may create a barrier to integration and adversely affect the tertiary aspirations of the university.

Members agreed that it was important to maintain the initiative in developing a model for the future of the university and to this end it was agreed to continue progression with initiatives designed to improve efficiency and enhance partnership working. Recommendations that were linked to governance and management structures that may be affected by the Cabinet Secretary's proposals would not be pursued at this stage.

It was noted that the responses tendered from AP Boards of Management to the Capita report indicated general support for Option 8 the Buildings Blocks approach. However, a number of areas of concern and issues for greater consideration and discussion were also highlighted by the exercise and Court felt that these issues should be addressed and examined by the proposed Transformation Implementation Group (TIG) or a subcommittee of the TIG at an early stage.

Court noted that much good work was progressing within the university on partnership working initiatives and cross curricula activity. Indeed many of the building blocks proposed by Capita had been initiated in advance of the report. It was important to ensure that such work could continue without being frozen or impeded by the establishment of a TIG.

It was reported that the Scottish government had set aside transitional funding for colleges in connection with the review of HE governance and post 16 reform agenda and Court was reassured to note that the Secretary had previously made submissions for such transitional funding. Indeed it was noted that the SFC had wholly funded the Capita report.

In answer to a question the Principal reported that the role of sponsor Universities was prescribed within the Articles of Association. This relationship would not be affected by the Cabinet Secretary's proposals and would continue to be an important factor in assisting the university to achieve rDAP.

The following outcomes were agreed:

- The Secretary was directed to develop a draft job description and person specification document for the appointment of a Transformation Manager. It was noted that the draft document would be circulated to Court members for comment prior to advertisement.
- The Secretary would produce a paper for consideration by Court on 20th March 2012 setting out a proposed remit and composition for the TIG. It was noted that Court anticipated that TIG should comprise of a small group to be supported by subgroups or committees with specialist knowledge or experience. In addition it was noted that clear timelines must be identified for the completion of tasks with the overall aim of completing the final task within 12 months.
- The Principal and Vice Chancellor would write to the Cabinet Secretary and SFC to request that Court be provided with a copy of the working proposal that was being developed by SFC in advance of the next Court meeting scheduled for 20th March 2012.

Exit of
D MacRae

4 **RESERVED BUSINESS – Ballet West Investigation**

Members considered a confidential report UC12-004 prepared by the Independent Chair of the Investigation Panel into complaints received about the activities of the NHC subcontractor Ballet West. It was noted that Court had previously been advised about this issue at a special meeting on 19th January 2012.

Members also considered a tabled appendix to UC12-004 prepared by the Principal and Vice Chancellor outlining options for a managed cessation of UHI activity with the subcontractor concerned and recommending that UHI terminate its relationship with the provider at the end of the current Academic Year (2011/12). This was contrary to the recommendation of the Investigation Panel to terminate the business at the end of the next academic year 2012/13. Court noted that the reason for the proposal to terminate the business earlier than recommended by the Investigation Panel was based on new information pertaining to serious allegations that were subject to a criminal investigation. These issues had not been considered by the panel. Court noted that the allegations if proved represented serious concern over student welfare and would also pose a significant reputational risk for the University through association.

It was noted that Court considered that the primary factor influencing its decision was to protect students studying at the centre. Accordingly, Court agreed to support the recommendation of the Principal and to terminate the business at the end of the current academic year. It was noted that the business must be exited in a carefully managed fashion with every effort made to ensure that students were fully briefed in advance of the media and that appropriate alternative arrangements and/or compensation was offered to those wishing to continue their studies at another provider.

Principal

Court agreed that the Internal Audit Service should be directed to undertake an investigation and to seek an account from NHC into the circumstances of their selecting and appointing the subcontractor as an appropriate service provider and associated procedures to monitor activities and to ensure that delivery of teaching and the student experience was of a satisfactory standard and quality and by appropriate persons. The primary purpose of the investigation should be to identify if there were any lessons to be learned as oppose to identifying blame.

The meeting closed at 13:18.

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