

**MINUTES OF THE COURT MEETING (UC)
UNIVERSITY OF THE HIGHLANDS AND ISLANDS
HELD ON WEDNESDAY 16 DECEMBER 2015 AT 15:30 HRS
IN ROOM EO1, EXECUTIVE OFFICE, NESS WALK, INVERNESS**

PRESENT: Garry Coutts (Chair)
Professor Fiona McLean (Vice Chair)
Professor Clive Mulholland (UHI Principal and Vice-chancellor)
Dr Michael Foxley – (Chair of UHI FE Regional Board)
Dr David Alston
Willie Printie
Angus Ross
Malcolm Burr
Luke Humberstone
Lorna Stanger
James MacDonald
Iseabail Mactaggart
Gillian Berkeley (VC)
Dr David Worthington (VC)
Professor Kenneth Miller (VC)
Anton Edwards

IN ATTENDANCE: Dr Jeff Howarth (Vice Principal Enterprise)
Professor Ian Bryden (Vice Principal Research & Specialist)
Mike Devenney – VC (Vice Principal Further Education)
Professor Crichton Lang (Deputy Principal)
Fiona Larg (Chief Operating Officer & Secretary COOS)
Professor Neil Simco (in part)
Roger Sendall (Corporate Governance Manager)

APOLOGIES: Eileen Mackay
Andy Rogers
Peter Campbell

ITEM	ACTION
1 INTRODUCTION	
1.1 Welcome and Quorum.	
It was noted that a quorum was present.	
1.2 Declarations of Interest:	
Dr Alston and Mr Coutts declared an interest in item 7.2 as members of the board of NHS Highland.	
The Principal and staff members each declared an interest in the business of the Remuneration Committee.	
1.3 Notification of any other Business: None.	

1.4 **Starring.**

The following items were starred for discussion:

- 4.2 Residences Project
- 5.2 Court Members Accountability and Responsibilities
- 5.5 Appointments to Incorporated College Boards
- 6.9 Shared Services next Steps
- 6.11 Performance Dashboards
- 6.12 National Student Survey – Actions
- 7.3 REF Preparation

1.5 **Curriculum Mapping**

Court received a presentation from Professor Simco in relation to paper UC15-120 providing an update on work that had been undertaken to develop tertiary curriculum maps and associated actions to identify areas for future curriculum development and review. The following key points were noted:

- Court welcomed the initiative and encouraged faculty staff to engage with students and industry as part of the process to ensure that curriculum matched learner and industry expectations.
- The Terms of Reference for the Tertiary Curriculum Working Groups should be expanded to include responsibility for identifying courses to be retired as well as new programmes.
- A development session focussed on curriculum development should be held for Court members in 2016.

2 **MINUTES OF MEETINGS**

2.1 **Approval of Court Minutes**

The Court resolved to approve the minutes of the meeting held on 16th September 2015 (UC15-075).

2.2 **Matters Arising**

The Court noted the Matters Arising paper UC15-076.

2.3 **Minutes from Committees of Court**

The Court reviewed the draft minutes of the following committee meetings:

- UC15-077 - Finance and General Purposes Committee of 9th September 2015.
- UC15-078 - Finance and General Purposes Committee of 3rd December 2015.
- UC15-079 – Remuneration Committee of 4th September 2015.
- UC15-080 – Audit Committee of 3rd December 2015.

- UC15-081 – Further Education Regional Board of 25th November 2015.
- UC15-082 – UHI Foundation of 8th December 2015.
- UC15-083 – Academic Council of 8th September 2015.

The following points were highlighted:

- The Chair of FERB reported that the regions FE Colleges had collectively over performed in relation to the regions FE student number targets in 2014/15. Two partners had underperformed against individual targets and FERB was currently considering planning options for the region including virement of places between partners.
- All the incorporated colleges with the exception of NHC had committed to supporting National Bargaining. It was noted that Unison had agreed a 1% or £300 pay offer, however, that the EIS union had rejected the offer and was currently seeking to ballot members over possible industrial action.
- The Chair of the Audit Committee explained that he had held a good meeting with a number of Academic Partner Audit Chairs and advised that he hoped to build on this and further develop positive engagement and relations with Audit Committee Chairs in 2016.
- The Chair of the Audit Committee reported that the external auditors had been extremely complimentary about the UHI Finance team in relation to their preparedness and willingness to engage with the external audit process in relation to the financial statements and he thanked the finance team for their efforts.
- The University Rector explained that the Foundation had enjoyed a tour and held a productive meeting at the new Inverness College on 8th December. It was noted that Foundation was seeking to grow its membership and with this in mind the Foundation had agreed to request the Court to amend the current rules relating to membership of Foundation in favour of a more flexible approach that was consistent with the University's Articles of Association. The following changes were approved:
 - i) To remove the representative quota requirement whereby membership was limited to a maximum specified number of people within each defined category e.g. x students, x public body etc.
 - ii) To remove the three term rule whereby membership was limited to a maximum of three terms of three years.
 - iii) To request members to reaffirm their commitment every three years.
 - iv) That recipients of Honorary Awards should be eligible to become members of Foundation automatically if they so desired.

3 CHAIRMAN/PRINCIPALS COMMENTS

The Chair and the Principal and Vice Chancellor each provided Court with a verbal report in relation to their recent activities. The following points were noted:

- Scope of the Governments proposed new HE Governance Bill was likely to be reduced following consultation with the sector and the risk of Universities being classified as Public Bodies and so subject to ONS obligations was understood to have reduced.

- The University was continuing to progress a strategic alliance with Federation University in Australia. A Steering Group had been established to identify and develop key collaborative projects over the next 12-18 months including initiatives that were focussed on Teacher Education, History Research, Health Studies, an online MBA and other networked programmes and dual badged awards.
- The University's application to become a member of Universities UK (UUK) had been accepted.

4 STRATEGY & PLANNING

4.1 Strategic Planning Event Proceedings- 20th October 2015

Court noted the proceedings of the above event UC15-084.

4.1.1 – Remit and membership of Strategy Working Group

Court approved the proposed remit and membership of the Strategy Working Group as set out within paper UC15-085 subject to the addition of student representation.

COOS

The Chair explained that the Chair of Perth College UHI had submitted written comments seeking clarification in relation to the authority of the working group and it was noted that the group would be tasked to produce a recommendation for approval by the appropriate authority as opposed to having delegated authority to bind the Court or Academic Partners. It was noted that the Chair would circulate the comments submitted to members following the meeting.

Chair

4.2 Residences Project

Court noted paper UC15-086 providing an update on progress with Phase 1 residences currently under construction in Inverness and Fort William.

It was noted that proposals for Phase 2 were progressing well and that further information would be presented to Court in March 2016. Options for Phase 3 development were currently still being explored.

4.3 ESIF Update & Forward Strategy

Court noted paper UC15-087.

5 GOVERNANCE

5.1 Court Membership

Court noted paper UC15-088.

5.2 Court Members Accountability and Authority Briefing Paper

Court noted paper UC15-089 which had been prepared at the request of the Chair. It was noted that the COOS would amend the document to provide greater clarity in relation to the delegated authority/responsibilities of FERB.

COOS

5.3 **Assigned Colleges Financial Memorandum and Revised Academic Partner Agreements**

Court noted paper UC15-090. The COOS explained that since the paper had been issued the SFC had confirmed their approval of the University's Financial Memorandum with Assigned Colleges (excepting Shetland and Orkney Council).

5.4 **Academic Partner Financial Monitoring**

Court noted paper UC15-091 providing a report in relation to concerns and correspondence with the SFC with regard to the financial position of two academic partner colleges (Moray and North Highland).

The Chair reported that a meeting with the Chair and Principal of Moray College to discuss the issues would take place on 18th December, however, it was noted that the college had now provided the University with copies of management accounts to 31st October 2015, internal and external audit reports and statutory accounts for the year 2014/15. The financial position of the College had improved significantly and Moray college was currently predicting a small surplus position at the end of financial year 15/16, having made an operating loss of circa £800k in 2014/15 and 2013/14.

Separate discussions were taking place with North Highland College.

Court was concerned that the University did not currently receive sufficient accurate information on a timely basis from assigned colleges to underpin and support its obligation to ensure the sustainable delivery of education throughout the region. It was agreed that there was a need to develop and agree a core data set and defined deadlines for sharing information with the University to provide adequate early warning of financial problems that would enable Court to make informed decisions and to take early effective action to mitigate problems and provide solutions. Members were worried that there may be a "bail out" culture amongst some academic partners that needed to be addressed particularly as the external funding environment was expected to become more challenging. It was noted that the COOS would develop a paper for consideration by FGPC in relation to developing appropriate monitoring and data sharing requirements as well as a scenario planning strategy to identify options for how the University should react or respond to particular situations.

COOS

5.5 **Appointments to Assigned Colleges Board of Management**

Court homologated papers UC15-061, UC15-062 and UC15-063 confirming the appointment of independent members to the boards of Inverness College UHI, Perth College UHI, Moray College UHI and North Highland College UHI.

Court was disappointed to note that the College Boards were broadly male dominated and encouraged recruitment staff to make a concerted effort to encourage more applications from women.

5.6 **Policy Statement on Appointment of Members to the Boards of Management of Incorporated Colleges**

Court approved the policy set out within paper UC15-092.

5.7 Annual Report of the Audit Committee to the University Court 2014/15

The Chair of the Audit Committee presented the Annual Report of the Audit Committee (UC15-093) to Court. The Court thanked the Head of Internal Audit for his work during the year.

Court noted that the Audit Committee had highlighted some concern in relation to the length of time taken to complete agreed high priority actions related to the University's procedures to ensure compliance with equality law and for data security management which had been outstanding for some time. It was noted that these were issues were being addressed by management and that the Audit Committee would continue to monitor progress.

5.8 National Training Requirements – FE Governance

Court noted paper UC15-094.

5.9 Annual Monitoring Reports 2015

Court noted paper UC15-094 providing a summary of activity in relation to Complaints, Public Interest Disclosures, Freedom of Information, Fraud, the Students Association, the Data Protection Act, Protection of Vulnerable Groups and the Police Act during 2015.

5.10 Future Court Meetings and Format

The Chair explained that he was keen to explore options for improving the timing and format of Court meetings to provide opportunity for members to get to know each other better. And he encouraged members to contact him with their preferences in terms of meeting times and suggestions for development sessions.

Exit A
Edwards
17:15

5.11 Departmental Updates

Court agreed that there would be value in members receiving a quarterly summary of key developments and activities that were being progressed by individual departments for information. It was agreed to trial providing reports to members for two quarters in 2016 out with the Court meeting cycle and to review the procedure in due course.

Principal

5.12 UHI IT Strategy 2015-20

Court approved paper UC15-096 comprising the UHI Strategy 2015-2020 developed in accordance with the Strategic Plan.

5.13 Management of Prevent Obligations

Court noted paper UC15-097.

5.14 Corporate Parenting

Court noted paper UC15-098.

6 FINANCE & PLANNING

6.1 UHI Statutory Accounts 2014-15

Court noted paper UC15-099a and approved paper UC15-099b containing the UHI Report and Financial Statements for the year ended 31st July 2015.

It was noted that the draft accounts had been considered by the Audit Committee and Finance and General Purposes Committee at a joint meeting on 3rd December 2015 and that committee members had unanimously agreed to recommend Court to approve the accounts for the year ended 31st July 2015.

Court was pleased to note that the external auditors had reported to the Audit Committee Chair that they were very pleased with the Audit and the efficiency and preparedness of the UHI finance team.

6.2 Representation Letter 2014-15

The Court endorsed the Letter of Representation (UC15-100) signed by the Chairs of Audit and FGPC for the auditors prepared in connection with the financial statements for the year ended 31st July 2015.

6.3 Going Concern

Court approved paper UC15-101 setting out the rationale for using the following statement: "there are no material uncertainties that may cast significant doubt about the company's ability to continue as a going concern" within the 2015-15 financial statements.

6.4 Management Letter/Audit Results

Court noted the paper UC15-102 comprising a letter from the external auditors summarising the 2014/15 audit results.

6.5 UHI Research and Enterprise Ltd Accounts

Court noted the above statutory accounts for the year ended 31st July 2015 (UC15-103).

6.6 University of the Highlands and Islands Development Trust

Court noted the above statutory accounts for the year ended 31st July 2015 (UC15-104).

6.7 2015-16 Quarter 1 Management Accounts

Court noted paper UC15-105 comprising the management accounts for the three months ended 31st October 2015.

6.8 2015-16 Quarter 1 Reforecast

Court approved paper UC15-106 as recommended by the FGPC.

6.9 Shared Services

Court noted paper UC15-107 providing an update on the situation in relation to the decision to defer the transfer of staff into UHI Shared Services Ltd and the steps that were currently being progressed to review alternative delivery options including establishment of a VAT group.

Court homologated paper UC15-108.

6.10 Critical & Key Performance Indicators

Court noted paper UC15-109 comprising a first update on performance against 2015/20 Strategic Plan CPIs and KPIs and paper UC15-110 comprising a report of financial KPIs based on statutory accounts.

6.11 Academic Partner Performance Dashboards

Court considered paper UC15-111.

6.12 National Student Survey 2015 – Progress Report on Actions

Court noted paper UC15-112 providing an update on actions taken following the publication of results from the 2015 NSS.

6.13 2015-16 HE Early Statistic Return (ESR)

Court noted paper UC15-113.

6.14 FE Student Recruitment

Court noted paper UC15-114.

7 ACADEMIC BUSINESS

7.1 rDAP Application

Court noted that the rDAP scrutiny process had been completed and that the University's application would be determined by the Advisory Committee on Degree Awarding Powers in May 2016.

7.2 UHI School of Health, Social Care and Wellbeing

Court considered and approved the proposals set out within paper UC15-115 to develop and create a UHI School of Health, Social Care and Wellbeing that was deigned to take best advantage of current opportunities for the benefit of the University partnership and the region. Whilst it was recognised and accepted that much of the development would necessarily be focussed around a central hub of activities Court was keen to maximise opportunities for the whole partnership and to develop distributed linkages and initiatives whenever appropriate. Further information would be presented to Court in March 2016 including information to illustrate the wider potential benefits of the proposal to the region.

Exit I
Mactaggart
at 17:35

Deputy
Principal

7.3 Update on Research Excellence Framework (REF) Preparation

Court noted paper UC15-116 providing an update on progress with work streams in accordance with preparation for the next REF. It was noted that the Vice Chair would liaise with the president of HISA and Professor Bryden with a view to developing additional actions and report back to a later meeting of Court.

Professor
Bryden

8 REPORTS**8.1 HISA**

Court noted paper UC15-117.

8.2 Foundation Report

Item considered at 2.3 above.

9 RISK MANAGEMENT**9.1 Corporate Risk Register and Updated Risk Policy and Risk Appetite Statements**

Court considered paper UC15-118 and agreed to approve the following updated Risk Policy and Risk Appetite statements:

Risk Policy Statement:

The University's general approach is to minimise its exposure to risk. It will seek to recognise risk and mitigate the adverse consequences. However, the University recognises that in pursuit of its mission and academic objectives it may choose to accept an increased level of risk. It will do so, subject always to ensuring that the potential benefits and risks are fully understood before developments are authorised, and that sensible measures to mitigate risk are established.

Risk Appetite Statement:

The University should take a portfolio approach to risk management – i.e. whilst at any one time it may be carrying a high level of risks in one or more parts of its business, it should ensure that the number of areas exposed to high risk at any time are minimised and balanced with a low risk approach in other areas. The portfolio of risk should be regularly reviewed by the risk review group, finance and general purposes committee and university court.

- High risk areas should be very closely aligned to strategic priorities and should be aligned to high returns i.e. the university should not be exposed to high levels of risk if returns are likely to be minimal or if the activity is not business critical.

- The elapsed time over which the university is exposed to a high level of risk in any area should be minimised as much as possible.

Open business concluded at 18:10.

10 DATE OF NEXT MEETING: 23rd march 2016.

RESERVED BUSINESS

11. **Principal & Vice Chancellor**

Court considered paper UC15-119 prepared by the Chair of Court regarding the remuneration of the Principal and Vice Chancellor. After discussion, it was agreed to approve the recommendations set out in the paper.

The meeting closed at 18:35.