

**MINUTES OF THE COURT MEETING (UC)
UNIVERSITY OF THE HIGHLANDS AND ISLANDS
HELD ON WEDNESDAY 1 JULY 2015 AT 10:00 HRS
IN ROOM EO1, EXECUTIVE OFFICE, NESS WALK, INVERNESS**

PRESENT: Garry Coutts (Chair)
Professor Clive Mulholland (UHI Principal and Vice-chancellor)
Dr Michael Foxley – (Chair of UHI FE Regional Board) VC
Professor Fiona McLean (Vice Chair)
Dr David Alston
Willie Printie
Gillian Berkeley
Eileen Mackay - VC
Andy Rogers
Vicki Nairn
Angus Ross - VC
Anton Edwards
Malcolm Burr
Dr David Worthington - VC
Luke Humberstone
Matthew Cameron

IN ATTENDANCE: Fiona Larg (Chief Operating Officer & Secretary(COOS))
Dr Jeff Howarth (Vice Principal Enterprise)
Professor Ian Bryden (Vice Principal Research & Specialist)
Mike Devenney – VC (Vice Principal Further Education)
Crichton Lang (Deputy Principal)
Roger Sendall (Corporate Governance Manager)
Christine Shaw (Corporate Governance Officer)
Lorna MacDonald (Director of Finance) in part
Rhiannon Tinsley (Academic Registrar) in part
Pat Devlin (rDAP Observer) VC

APOLOGIES: Peter Campbell
Professor Kenneth Miller
James MacDonald
Iseabail Mactaggart

ITEM	ACTION
1 INTRODUCTION	
1.1 Welcome and Quorum.	
It was noted that a quorum was present.	
The Chair welcomed Luke Humberstone President of HISA to his first Court meeting.	
The Chair also welcomed Mr Devlin of QAA who was observing the meeting as part of the rDAP scrutiny process.	
1.2 Declarations of Interest:	
Dr Alston declared an interest in item 4.5 as he was a member of the Highland Council Pensions Committee. Dr Alston left the meeting for this item.	
Mr Coutts, Dr Foxley and Dr Alston declared a non-financial interest in item 7.1 as members of the NHS Highland Board.	
1.3 Notification of any other Business.	
None.	
1.4 Starring.	
The following items were starred for discussion:	
<ul style="list-style-type: none"> • 2.2 Matters Arising • 2.3 Minutes from Committees of Court • 5.1 Effectiveness Review of Court & Committees • 5.3 HE Governance Bill • 5.4 Perth College UHI BOM Appointments • 6.1 UHI Budget • 7.1 Transfer of Pre-Registration Nursing Training • 8.1 Corporate Risk Register 	
2 MINUTES OF MEETINGS	
2.1 Approval of Court Minutes	
The Court resolved to approve the minutes of the meeting held on 17 th March 2015 (UC15-028).	
2.2 Matters Arising	
The Court noted the Matters Arising paper UC15-029 and paper UC15-030 comprising legal advice received from Anderson Strathern LLP in relation to the ONS reclassification of incorporated colleges as Public Bodies.	
The Court noted that there was no legal scope to avoid the impact of this decision and that the Scottish Government were not minded to implement a legislative solution. It was noted	

that the Chair would continue to lobby government for a solution and that the COOS would provide members with a summary document setting out the primary issues. This document could also be shared with key partners and contacts to raise the profile of the issues.

COOS

2.3 Minutes from Committees of Court

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

- UC15-031– Finance and General Purposes Committee of 16th June.
- UC15-032- Audit Committee 4th June 2015
- UC15-0332 – Further Education Regional Board 15th May 2015
- UC15-034 – Academic Council 26 March (approved minutes) and 18 June 2015

The following points were highlighted:

- Court noted that a meeting of Academic Partner Audit Chairs had been set for 29 July with a view to progressing better partnership working and a more joined up and efficient approach to internal audit and assurance processes.
- Significant progress had been achieved by the University in terms of improving the completion rate of agreed audit management actions before identified completion dates.
- Court was very supportive of the Sector Schools proposal outlined within the draft minutes of the Academic Council meeting of 18 June and commended the proposals to evolve the current subject networks through greater involvement of professoriate staff.

3 CHAIRMAN/PRINCIPALS COMMENTS

- The Principal reported that the University participation/response rate in the National Student Survey had increased from 70% last year to 76% this year. This was the University's highest response rate to date and was 5% above the UK average. Results from the survey would be published on 31 July 2015.

4 STRATEGY & PLANNING

4.1 Strategic Plan

Members noted that hard copies of the University's new Strategic Plan previously approved by Court were available.

4.2 Key Performance Indicators (KPIs)

Court approved paper UC15-035 containing draft KPIs and setting out links to the agreed Critical performance Indicators of the 2015/20 University Strategic Vision and Plan and the University's Outcome Agreement with the SFC.

It was agreed that a small subgroup of Court would be established to review the appropriateness and effectiveness of each KPI after six months (meeting in January or February 2016).

4.3 Strategy Day Follow Up

Court noted that the strategy day event held in May had been well attended by partners and considered that there was a genuine willingness within the partnership to tackle the key issues affecting the sector and to work together to build a sustainable partnership model. It was agreed that a follow up event should be held in September or October 2015.

CGM

4.4 Residences Project

Court noted paper UC15-036 providing an update on progress with the project to provide student residences. The COOS further advised that a special meeting of the Finance and General Purposes Committee had been called for 3rd July to consider two unsolicited credible proposals from private sector developers who had expressed an interest in providing the required student accommodation across the partnership. It was noted that Court would be kept informed of any developments as they occurred.

4.5 Shared Services

Court noted paper UC15-037 providing an update on the current position with regard to the launch of an ICT Shared Service and in particular the recent decision to delay the start of the shared service until 1st December due to uncertainties over pension provision arrangements for staff transferring into the new company.

Exit Dr
Alston for
this item.

The COOS advised that the Highland Council (HC) currently provided a guarantee over University staff pension contributions. The HC had been asked to extend this guarantee to cover staff transferring into the new shared services company, however, a decision would not be forthcoming before the end of August due to delays in receiving information from actuaries.

If HC decided not to extend the existing guarantee then it may be possible for the University to underwrite the pension scheme itself although the University's balance sheet may not be strong enough for this option. An alternative option whereby the University would acquire a bond to insure the scheme was also being examined, however, this was likely to be expensive and if this option was pursued then it would be prudent to re-examine all available options for delivering the shared service including a revised (more affordable) pension offer.

5 GOVERNANCE

5.1 Effectiveness Review of University Court and Committees of Court

Court noted paper UC15-038 setting out the results of an internal review of Court and Committee effectiveness. Court approved the recommendations set out within the paper and agreed to conduct an externally facilitated review in 2016 in accordance with corporate governance best practice.

5.2 HISA Memorandum & Articles of Association

Court approved paper UC15-039 comprising a recommendation to adopt bespoke Memorandum and Articles of Association for the new Highlands and Islands Students Association and to form a company limited by guarantee.

5.3 Higher Education Governance (Scotland) Bill 2015

Court noted the above Bill and an initial response to the Bill provided by Universities Scotland. It was noted that there were a number of significant issues associated with the Bill and it was agreed to establish a small sub group to develop the University's formal response.

5.4 Perth College UHI – Appointments to Board of Management

Court considered paper UC15-041 and approved the proposed appointments to Perth College UHI Board of Management. In reaching this decision the following points were highlighted:

- Court would like to be assured that the Professor of Sport at the University of Stirling who was recommended for appointment to the Board did not have a conflict of interest or that any such interest would be appropriately managed.
- The composition of the Board fell short of the University's gender target commitment. It was noted that the COOS would write to APs to remind them of this commitment.

6 FINANCE & PLANNING**6.1 2015/16 University Budget**

The Chair invited Court to consider paper UC15-042 containing a recommendation from the Finance and General Purposes Committee (FGPC) for Court to approve the 2015/16 budget for submission to the Scottish Funding Council.

Following due consideration Court agreed to accept the recommendation of FGPC and to approve the budget presented. During discussion the following points were highlighted:

- There was a need to retain a minimum surplus equivalent to 1% of turnover. This was the maximum and minimum that the University could plan for in 2015/16, however, it was noted that a target of 3% had been identified within the 2015/2020 strategic plan by 2019/20 (CPI 10).
- To include provision for a possible cost of living pay increase to staff of 1.5%. Any such award to be determined by the Remuneration Committee who had delegated authority for this activity.

6.2 Q3 Reforecast

Court approved the 2014/15 Quarter 3 Reforecast (UC15-043) as recommended by FGPC.

6.3 Academic Partner Performance Dashboards

Court noted paper UC15-044.

6.4 2015/16 Funded Student Number Target & Recruitment Update

Court noted paper UC15-045.

DoF in
attendance

6.5 Inverness Campus Partnership Facility Update (ICPF)

Court noted paper UC15-046.

7 ACADEMIC BUSINESS

7.1 Transfer of Pre-Registration Nurse Training

Court noted paper UC15-047 comprising a draft high level business plan in relation to the proposed transfer of pre-registration nurse education from the University of Stirling.

7.2 Enhancement-Led Institutional Review (ELIR)

The Academic Registrar provided Court with a verbal summary in connection with paper UC15-048 comprising a briefing in relation to the forthcoming ELIR. It was noted that Court would value a separate development session on ELIR and the equivalent quality enhancement processes for Further Education activity.

Academic Registrar in attendance

AR/
VPFE

8 RISK MANAGEMENT

8.1 Corporate Risk Register

Court noted paper UC15-049.

Open business concluded at 12:12.

RESERVED BUSINESS**DRAFT MINUTES OF THE COURT MEETING (UC)
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Roger Sendall (Corporate Governance Manager)

9. Moray College UHI

The COOS reported that UHI had been advised by SFC in late June of a significant overclaim of FE funds (circa £555k) by Moray College in the period up to 31 July 2015. Furthermore, Moray College were unable to repay this overpayment in July and the University had been asked to provide an advance to enable Moray College to meet its financial commitments.

Court was concerned that Moray College had not alerted the University to these issues early enough. The AP Dashboard paper UC15-044 provided a mechanism for Court to monitor the performance of individual partner colleges against budget however this was reliant on accurate information being provided by partners in a timely manner. Whilst Moray College had highlighted a deficit position within that paper based on management accounts to 30th April 2015 this had not been highlighted as a concern.

The COOS confirmed that the University was able to intervene to ensure that Moray College met its commitments and further advised that the University's Director of Finance would lead a thorough investigation into this situation and the issues raised by it. It was noted that the investigation report would be provided to the next Audit Committee meeting and it was agreed to grant the Principal and Vice Chancellor with the authority of Court to take appropriate actions.

10. Chair of Court

exit Mr Coutts

The Vice Chair invited members to consider paper UC15-050 confirming the outcome of an evaluation into the effectiveness of the Chair and containing a recommendation to invite the Chair to serve another term.

Following due consideration the Court unanimously agreed with the recommendation to invite the Chair to serve a further term of 3 years beginning from 9th January 2016 and to remunerate the Chair on the basis of 1.5 days per week.

There being no further business the Vice Chair closed the meeting at 12:41.