

**MINUTES OF THE COURT MEETING (UC)
UNIVERSITY OF THE HIGHLANDS AND ISLANDS
HELD ON MONDAY 28 NOVEMBER 2016 AT 14:00 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)
Willie Printie
Angus Ross
Malcolm Burr
Eileen Mackay
Andy Rogers
Peter Campbell (VC)
Luke Humberstone
Gillian Berkeley
Dr David Worthington (VC)
Professor Kenneth Miller
Anton Edwards

IN ATTENDANCE: Professor Ian Bryden (Vice Principal Research & Specialist)
Irene Peterson – (Acting Vice Principal Further Education)
Professor Crichton Lang (Deputy Principal)
Fiona Larg (Chief Operating Officer & Secretary COOS)
Graeme Kirkpatrick (Director HISA)
Roger Sendall (Head of Governance & Records Management)

APOLOGIES: Dr David Alston
James MacDonald
Iseabail Mactaggart
Dr Jeff Howarth (Vice Principal Enterprise)

ITEM

ACTION

1 INTRODUCTION

1.1 Welcome and Quorum.

It was noted that a quorum was present.

1.2 Declarations of Interest:

None.

1.3 Notification of any other Business:

None.

Starring.

1.4 The following items were starred for discussion:

- 2.4 Minutes from committee meetings.
- 4.1 City Deal
- 4.2 Enterprise & Skills Review
- 6.9 Student Activity Targets
- 7.2 Teaching Excellence Framework
- 8.1 HISA

2 MINUTES OF MEETINGS

2.1 Approval of Court Minutes

The Court resolved to approve the minutes of the meeting held on 5th October 201 (UC16-079).

2.2 Matters Arising

The Court noted the Matters Arising paper UC16-080.

2.3 Review of Delegated Decisions: None

2.4 Minutes from Committees of Court

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

- UC16-081a - Finance and General Purposes Committee of 21st November 2016.
- UC16-080b - Audit Committee of 21st November 2016.
- UC16-081c – Further Education Regional Board of 23rd November 2016.
- UC16-081d – UHI Foundation of 17th November 2016.

The following points were highlighted:

- The Chair of FGPC reported that whilst the external audit process had not been fully completed before the meeting the committee had received positive assurance from the External Auditor in relation to the University's draft Financial Statements. He explained that a great deal of extra effort had been required this year as a result of transition to a new SORP (FRS 102) and he thanked the Finance Team for their efforts in preparing the statements.
- The Chair of the Audit Committee explained that he had held a productive meeting with 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 2017.
- 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.
- FERB had received an informative presentation from Skills Development Scotland (SDS). Copies of the presentation slides would be circulated to members following the meeting for information.

HGRM

- The Chair of FERB reported that the partnership had collectively exceeded its FE credit target for 2015/16 by 1.64%. This headline figure included ESIF credits and it was important to note that the partners had collectively exceeded the SFC core funded credit target by over 5%. This constituted good evidence to support a request to SFC for an increase in core credit numbers.
- AP Chairs have expressed a desire through FERB for increased representation and engagement with the University Court and for all Chairs and Principals to receive University Court papers as a matter of routine. It was noted that the Chair would discuss possible arrangements and solutions with the Chair of FERB.
- The Rector reported that the Foundation had considered and accepted Courts concerns in relation to its original request to invite two members of each Academic Partner Board of Management to join the Foundation as members. It was noted that Court had requested Foundation to modify the proposal and to invite just one member from each Board in order to maintain an appropriate balance.
- The Rector requested Court to consider allowing Foundation to invite retiring members of partnership staff to join the Foundation where it was considered that they would add value to discussions and operations of Foundation. Court agreed to the request, however, it was noted that care was necessary to ensure that the Foundation did not become a “common room for retired staff” and to safeguard the purpose of Foundation as being representative of the wider community.
- Foundation had confirmed its support for a general vision for the University. This was articulated within paper FN16-013. This paper would be circulated to Court members following the meeting.
- The Chair of the Remuneration Committee reported that the Committee had met and agreed a 1.1% pay increase across University pay scales. It was noted that qualifying staff would also receive increments. The senior salary scales had also been considered by the committee and no permanent rise beyond a cost of living increase had been agreed. Minutes of the meeting were not currently available but would be provided in due course.

Chair

HGRM

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:

- Three INTERREG research projects had received approval with significant funding confirmed for 2 Cross Border health research projects, led by the University of Ulster and a third project on renewable energy to be led by Queens University. These 3 projects will, hopefully, lead to a further 20 PhD and Post Doc places in key UHI priority areas, complementing the 34 PhD places in the Developing Scotland’s Workforce initiative constituting a significant investment in the University’s research capacity.

4 STRATEGY & PLANNING

4.1 City Deal

Court approved paper UC16-082 setting out in principle proposals to progress further development of the Inverness Campus site for health related research activities in accordance with the fully funded City Region Deal.

It was noted that additional information would be presented to Court as it became available.

4.2 Enterprise & Skills Review

Court expressed concern that the Scottish Government's Enterprise and Skills Review may result in a reduced ability for the University to influence and participate in key strategic decisions and development opportunities within the Highlands and Islands region through a loss of key partner relationships if the HIE, SFC and SDS boards were dissolved and replaced by a super board.

COOS

It was noted that a briefing document on the review and the possible implications for the University would be prepared and circulated to Court members for their information.

5 GOVERNANCE

5.1 Outcome from SWG Process

Court considered papers UC16-083 and UC16-083a providing a full report of a meeting with the Deputy First Minister and Minister for Further and Higher Education held on 17th October 2016 at which all University academic partners had been represented and at which meeting broad agreement on the most appropriate way forward for the University had been identified. In summary the agreement involved creation of 3 new Vice Principal posts to be recruited from academic partner staff on a 0.5FTE basis. These new roles would be senior officers of the University and would become members of the University's SMT. The agreement also included proposals to initiate a cultural change programme and to merge HEPPRC and FEEB creating a new tertiary Partnership Council.

Following due consideration, the Court resolved to agree the following points:

- I. Court agreed to formally accept and approve the terms of the agreement and recommended actions identified within paper UC16-083.
- II. Court should receive a report from the Principal & Vice Chancellor and members of the new SMT in Autumn 2017 setting out how the University was working to address the partnership issues identified by students and staff within their submissions to the SWG.
- III. The Chair would write to staff representatives of SWG to express Courts huge appreciation for their outstanding contribution to the SWG review process and advising them of action two above.
- IV. The Chair would write a letter to the Principal and Vice Chancellor and members of SMT setting out Court's clear expectations of what it expected SMT to deliver and achieve in terms of a more efficient and integrated University partnership.

- V. Court noted that the agreement stated that; “*the triumvirate arrangement agreed in 2012 should be removed (needs simple majority of Academic partners’ approval) and with that the removal of associate principal roles from Vice Principal Research and Vice-Principal Further Education*”. The Court approved that this be taken forward and accepted the Agreement as the basis and evidence for the majority approval of the Academic Partners to abolish the Triumvirate as is required by Article 12.13 f of the University’s Articles of Association.
- VI. The Chair, Vice Chair and Principal and Vice Chancellor should hold an initial meeting with John Sturrock QC to determine if his services in relation to assisting the new SMT to facilitate behavioural and cultural organisational change would be appropriate and of benefit. It was noted that the SFC had offered to pay for Mr Sturrock’s services.
- VII. The Chair would establish a monitoring group to provide scrutiny of VP strategic projects. The group would meet quarterly to receive reports from members of SMT in relation to their portfolios. This group should comprise of two AP Chairs and two independent members of Court.
- VIII. The University should provide clear and timely communications for all staff and students in relation to the agreed changes and strategic projects.

COOS

5.2 Audit Committee – Appointment of Independent Members

Court approved the appointment of two independent members to become co-opted members of the Audit Committee as recommended within paper UC16-084.

5.3 Delegated Authorities Schedule

Court approved the updated delegated authorisation schedule (paper UC16-085).

5.4 Academic Partner Financial Monitoring

Court noted paper UC16-086. Court requested that future reports include a brief narrative to highlight the most significant issues for their consideration.

The COOS highlighted that there was currently a significant risk to future income if the five incorporated colleges failed to collectively achieve a breakeven position at 31st March 2017. It was noted that efforts were progressing with Principals and Finance Directors of the five colleges to mitigate this risk.

DoCR

5.5 Moray College UHI – Recovery Plan

Court noted that FERB and FGPC had received a paper from the Principal of Moray College in relation to the current financial difficulties being experienced by the college, however, the paper did not constitute an appropriate recovery plan. It was noted that Moray College Board were now actively involved in seeking to identify solutions including the possibility of a voluntary severance scheme, however, funding would be required to fund such a scheme. It was noted that the SFC would be asked to assist with funding a scheme, however, any assistance would need to follow submission of an appropriate recovery plan.

5.6 Annual Assurance from the Audit Committee

The Chair of the Audit Committee presented the Annual Report of the Audit Committee (UC16-087) to Court. The Court thanked the Head of Internal Audit for his work during the year.

5.7 Annual Monitoring Reports 2016

Court noted paper UC16-088 providing a summary of activity in relation to Routine Monitoring, Complaints, Public Interest Disclosures, Freedom of Information, Fraud, the Students Association, the Data Protection Act and Protection of Vulnerable Groups.

5.8 Prevent Duty

Court noted paper UC16-089 in relation to how the University was exercising its counter terrorism prevent duties.

6 FINANCE & PLANNING

6.1 UHI Statutory Accounts 2015-16

Court considered paper UC16-090 containing the UHI Report and Financial Statements for the year ended 31st July 2016 and a supporting paper.

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 21st November 2016. Whilst it was noted that the external audit process had not been fully completed to date the committees had received positive independent assurance from the External Auditor, in relation to the draft Financial Statements and on this basis members had agreed to recommend Court to approve the accounts for the year ended 31st July 2016 on the basis that no material changes were made to them. It was noted that the final accounts would be circulated to all members and Court resolved to authorise the Chair to execute approval of the final accounts once completed and in communication with the Chairs of Audit & FGPC.

DoCR/
Chair

6.2 Representation Letter 2015-16

The Court considered the draft Letter of Representation and authorised that it should be executed by the Chairs of Audit and FGPC for the auditors in connection with the financial statements for the year ended 31st July 2016.

6.3 Going Concern

Court approved paper UC16-092 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 2015-16 financial statements.

6.4 Management Letter/Audit Results

Court noted the paper UC16-093 comprising a letter from the external auditors summarising the 2015/16 audit results.

6.5 UHI Research and Enterprise Ltd Accounts

Court noted that the above statutory accounts for the year ended 31st July 2016 had been signed by the Directors of the company and that UHIRE Ltd had donated a trading profit of approximately £7k to the University.

6.6 University of the Highlands and Islands Development Trust

Court noted that the Development Trust was in the process of being wound up and that a final set of accounts was currently being prepared.

6.7 2016-17 Quarter 1 Management Accounts

Court noted paper UC16-096 comprising the management accounts for the three months ended 31st October 2016.

6.8 2016-17 Quarter 1 Reforecast

Court approved paper UC6-097 as recommended by the FGPC.

6.9 Forecast of 2016/17 HE & FE Student Activity

Court noted paper UC16-098. Court requested that future reports include a brief narrative to highlight the most significant issues for their consideration.

HoMP

7 ACADEMIC BUSINESS

7.1 rDAP Application

Court noted that formal confirmation of a successful rDAP application was understood to be imminent. The final stage was understood to involve approval of a brief Statutory Instrument.

7.2 Teaching Excellence Framework (TEF)

Court considered paper UC16-100 providing a summary of the TEF and an assessment of the likely outcome for the University if a decision was made for UHI to participate within TEF2. It was noted that discussions were progressing currently within the Million Plus group and with other Scottish Institutions via Universities Scotland to ascertain whether or not they would enter the process. A final decision was required before the end of January 2017, however, currently it was likely that UHI and other similar institutions would opt not to enter the TEF.

7.3 Federation University

Court noted paper UC16-101.

8 REPORTS

8.1 HISA

Court noted paper UC16-102.

8.2 Foundation Report

Item considered at 2.4 above.

9 RISK MANAGEMENT

9.1 Corporate Risk Register

Court noted paper UC16-104.

10 DATE OF NEXT MEETING: 22nd March 2017.

UC16-106

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