

# University Court

20 March 2019, 13:00 to 16:30

EO1-EO2 Ness Walk (VC dial in code: 79680)

## Present

Garry Coutts (Chair), Clive Mulholland (Principal & Vice Chancellor), Willie Printie, Alan Simpson, Rosemary McCormack, Anton Edwards, Andrea Robertson, Neil Stewart, Gareth Davies, Alistair Dodds, David Sandison, Linda Kirkland, Poonam Malik, Sarah Helps, Fiona McLean, Michael Foxley, Roddy Burns, Stuart Gibb, Neil Simco, Lydia Rohmer, Crichton Lang, Diane Rawlinson, Niall McArthur, Roger Sendall

## Meeting minutes

### 1. WELCOME

The Chair opened the meeting and noted that a quorum was present.

 Court Agenda 20 March 2019.pdf

#### 1.1. Presentations

##### 1.1.1. 1pm International Student Recruitment Presentation by Vice Principal International & External Engagement

Stuart Gibb

Court received a presentation from Professor Gibb in relation to the above subject highlighting particular opportunities and challenges in relation to growing international provision within the University partnership. A copy of the presentation slides are appended to this minute.

The following key points were noted:

- Court commended Professor Gibb for providing a comprehensive and informative presentation of key issues and challenges associated with growing international provision.
- Court expressed concerns that insufficient resource was currently allocated to developing international activity and promoting programmes to international students in a coordinated and strategic manner across all partners.
- Court requested Professor Gibb to provide a paper for consideration by Court in June 2019 setting out what would be required in order to optimise the University's international offer. The paper should include consideration of resource requirements and key timescales and shared with academic partners.

 International Student Recruitment Court 180319.pdf

##### 1.1.2. Brexit Briefing

Court considered a report provided by the Director of European and International Development.

Court noted that considerable uncertainty remained in relation to the UK's future relationship with Europe. There were substantial risks associated with a no deal Brexit with particular challenges for the University of the Highlands and Islands which had benefited greatly from access to European Structural funds over many years.

Court noted that the University was working proactively with Scottish Government officials and key stakeholders in an effort to represent and protect the University's interests for the future in accordance with various possible scenarios, however, the Brexit process was still unresolved and there was no clear indication as to whether or not the UK would leave the EU with a deal, would leave with "no deal" on 29th March 2019 or indeed remain as a full member.

 UC19-011 190230 UHI Brexit Court.pdf

#### 1.2. Apologies

Apologies were received from Heidi May, Andy Rogers, Kirsty MacPherson, Fiona Larg and Gary Campbell.

### 1.3. Declarations of Interest

The Depute Principal declared an interest in item 4.2.

Alistair Dodds declared an interest in item 5.1 on the basis that he was a Board member of Highlands and Islands Enterprise.

### 1.4. Notification of other business

None.

### 1.5. Starring

Items 2.4, 7.1 and 7.3 were starred for discussion.

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## 2. MINUTES OF MEETINGS

### 2.1. Approval of the minutes of 28 November 2018

The Court resolved to approve the minutes of the above meeting.

 UC18-292 Draft CourtMeetingMinutes.pdf

### 2.2. Matters Arising

The Court reviewed the paper setting out actions and matters arising from previous minutes.

 UC19-001 Matters arising.pdf

### 2.3. Review of Delegated Decisions

None.

### 2.4. \*Minutes from Committees of Court since last Court meeting

#### 2.4.1. Finance and General Purposes Committee

The Vice Chair of FGPC reported that the committee had focused discussion on four key areas; the potential purchase of the Centre for Health Sciences, under occupancy of student residences and 2019/20 rents, formation of a VAT group and the finance system convergence project. The following points were noted:

- Whereas FGPC had agreed to increase student rents for 2019/20 in line with inflation and to provide a 10% discount for returning students this decision was not unanimous and some members were concerned that rents were too high in the context of local market alternatives.
- FGPC was disappointed to learn that the start of the University's Optometry programme would be delayed particularly because it had been anticipated that RUK students on this course would be likely to choose UHI accommodation.
- An independent expert had been invited to provide a VAT briefing to AP Chairs and Finance Committee Chairs in April with representation from the SFC.
- Unfortunately, the University's contract with TechnologyOne to deliver a new finance system did not provide appropriate provision to terminate the contract for non-delivery of a service. Accordingly, the University was currently continuing with the project and had reached a settlement agreement to provide a system to one partner (EO) with an option to add other users in due course.

 UC19-002 Draft FGPC Mins 2019-03-11\_12-09-14-MeetingMinutes.pdf

## 2.4.2. Audit Committee

The chair of the Audit Committee advised that the committee had considered an internal audit report in relation to the operation of the student residences contract which had identified a number of recommendations to improve controls. A summary of these was provided within the paper at item 6.2 of the Court agenda.

The Chair explained that the committee was particularly concerned about the University's ability to manage financial challenges with several partners forecasting deficits over the next five years. The committee was worried that too many groups were discussing financial challenges in isolation of each other with limited success in terms of delivering efficiency savings and a sustainable financial model. The committee felt that better coordinated efforts and detailed action plans were needed.

The Principal & Vice Chancellor explained that he shared the committees concerns and advised that he was currently working with colleagues through Partnership Council to review and develop a collective approach to addressing financial challenges and the outputs from this work would be presented to Court in June 2019.

 [UC19-003 Audit 2019-03-12\\_13-26-11-MeetingMinutes.pdf](#)

## 2.4.3. FE Regional Board (FERB)

The Chair Of FERB explained that the board had received an informative and interesting presentation prior to its last meeting in relation to the University branding project and that all members were supportive of the direction of travel of that project.

FERB had also discussed development of the Regional Outcome Agreement, good results for the University in terms of full time FE student success rates that were well above national benchmarks and disruption associated with industrial action.

The President of HISA reported frustration that communications from academic partners in relation to recent strike action were inconsistent across the partnership and that this had created difficulties for a number of students, particularly for those on networked courses.

 [UC19-004 Draft FERBMeetingMinutes.pdf](#)

## 3. \*CHAIRMAN/PRINCIPAL'S COMMENTS

Garry Coutts

The Chair advised that he was currently working with the Vice Chair to interview members of Court, committees of court and senior staff to review the effectiveness of governance arrangements. Outputs from these sessions would be collated and used to inform the formal annual effectiveness review questionnaire with a report provided to Court in June 2019.

### 3.1. Quarterly Status Report

Court noted the report provided by the Principal & Vice Chancellor, Academic Partner Principals and members of the University's SMT.

The Principal and Vice Chancellor explained that his primary focus was to improve the University's financial position by identifying savings and maximising growth from strategic investments.

 [UC19-006 Q3 SMT and AP quarterly report.pdf](#)

### 3.2. University Assembly

#### 3.2.1. - Governance & Operations

Court considered the paper provided by the UHI Partnership Assembly Programme Board. Court agreed that current governance structures were an impediment to operational efficiency, however, Court also noted the importance of distinguishing between real and perceived barriers and highlighted the value of strong leadership and good management to deliver success.

 [UC19-007 Governance and operations.pdf](#)

## 4. COMMITTEES & MEMBERSHIP

### 4.1. Annual Committee Effectiveness Reviews

Court noted the attached paper setting out the process for completing the 2018/19 effectiveness review as required by the HE Governance code.

## 4.2. Interim Principal & Vice Chancellor

Court homologated the attached paper setting out arrangements for appointing an interim Principal & Vice Chancellor following the retirement of the current post holder.

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## 5. STRATEGY & PLANNING

### 5.1. \*CFHS Purchase

Court discussed paper UC19-010 provided by the Chief Operating Officer and Secretary in relation to drawing down a loan from the Scottish Government via the Scottish Funding Council in order to purchase the Centre for Health Science from Highlands and Islands Enterprise (HIE).

Court noted that the Finance and General Purposes Committee had considered the proposal on 28th February 2019 and had recommended that the University should make a formal offer of £8.5M to HIE for the facility and that the University should seek to borrow £9.83M from the Scottish Government at 0.25% interest rate over a 20 year repayment period in order to facilitate the purchase and to finance the cost of remedial works to upgrade the buildings fire alarm and to resolve some minor water ingress issues identified by the recent condition survey.

The Director of Corporate Resources advised that a draft Heads of Terms agreement had been prepared in consultation with the University's lawyers and highlighted a requirement for the University to draw down the loan before 31st March 2019 and to complete the transaction with HIE before 31st July 2019.

Court discussed a number of potential risks associated with ownership of the facility including, a loss of rental income if the event that existing tenants chose not to renew leases and title restrictions on future use of the building that imposed a limit within the facility to activities that are associated with health and life sciences.

Following due consideration the Court resolved to draw down a loan from the Scottish Government via the Scottish Funding Council and to purchase the Centre for Health Science from Highlands and Islands Enterprise.

The following was agreed:

- The University Court approved the terms of, and the transaction contemplated by the Loan Documents and associated ancillary documents.
- The Court authorised the University's Depute Principal to execute the Loan Documents on behalf of the University,
- The Court authorised the Depute Principal to sign and/or despatch all documents and notices (including any Drawdown Notice) to sign and/or despatch by it under or in connection with the Loan Documents.

### 5.2. CPI's

Court noted the attached summary report in relation to the University's defined Critical Performance Indicators and associated Key Performance Indicators.

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## 6. GOVERNANCE & RISK

### 6.1. \*Risk Management

The Court considered the updated high level risk register and noted new risks associated with a delay in achieving General Optical Council accreditation for new optometry programmes and the absence of up to date academic partner agreements.

## 6.2. \*Student Residences - Occupancy Update

Court noted the attached paper providing an update on issues related to under occupancy of the University's student residences including recommendations from a recent internal audit report, discussion at FGPC and providing background information for the benefit of new Court members in relation to the project to develop new residences. The following points were noted:

- The internal audit report identified nine recommendations for improvements in control. High priority recommendations include: completing analysis of business intelligence on the existing customer base and analysis of potential market demand; reviewing the operational governance of the under-occupancy issue and considering what framework should be put in place to maximise the effectiveness of marketing activity.
- The fundamental factor affecting occupancy of the residences is a failure to recruit sufficient numbers of non-local students and this needs to be addressed as part of a long term strategy for growth that includes curriculum development.
- FGPC have requested that a clear occupancy strategy be presented to the next meeting of the committee on 5th June 2019 and Court will receive a further update on progress in due course.
- The Principal & Vice Chancellor advised that he is currently reviewing resources allocated to managing the under occupancy issue and is considering establishing a new project board or steering group and reallocating some responsibilities within his senior team. This may include providing delegated authority to vary contracts and negotiate commercial discounts.
- Court stressed that overall responsibility for the residences must remain with the Chief Operating Officer & University Secretary and that any new structures must be designed in that context with terms of reference approved by FGPC.

 UC19-014 Student Residences.pdf

## 6.3. \*Articles of Association

Fiona Larg

Court noted the paper providing an update on progress to adopt new Articles of Association for the University.

Court agreed to progress the approval by means of a written resolution.

 UC19-015 Update on articles0319v2.pdf

## 6.4. Amended Standing Orders - University Court

Court approved the updated standing orders of the University Court which had been amended to reflect provisions of the HE Governance Act.

 UC19-016 Court Standing Orders Amendment March2019 cover.pdf

## 6.5. \*Academic Partner Agreements

Clive Mulholland

Court discussed the attached paper providing an update on progress to implement new academic partner agreements.

It was noted that both Audit and FGPC committees had expressed concern that current agreements were not fit for purpose and had recommended that Court seek to implement new agreements as a priority action. The Principal and Vice Chancellor explained that academic partner principals were reluctant to progress new agreements at the current time because of the Partnership Assembly process which may require a rapid revision. Court considered that a pragmatic approach was necessary and encouraged Partnership Council to work together to develop new agreements quickly and mindful of the risk that the current agreements were not fit for purpose and that the partnership was vulnerable without appropriate agreements in place. An update would be necessary for the next meeting of Court.

 UC19-017 AP Agreements.pdf

## 6.6. Effective Governance - Letter from R. Lochhead

Court noted paper UC19-018.

 UC19-018 Ministers Letter Effective Governance.pdf

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## 7. FINANCE AND PERFORMANCE

### 7.1. Finance System Project Update

Court noted paper UC19-019.

 UC19-019 Fin Syst Converg update-Feb 2019.pdf

## 7.2. 2018-19 Q2 Management Accounts

Court noted paper UC19-020.

 UC19-020 Q2 18-19 Management Accounts.pdf

## 7.3. \*2018-19 Q2 Re-forecast

Court approved paper UC19-021.

 UC19-021 Q2 18-19 Reforecast.pdf

## 7.4. Academic Partner Financial Monitoring

Court noted paper UC19-022.

 UC19-022 AP Financial monitoring.pdf

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# 8. ACADEMIC BUSINESS

## 8.1. Optometry

The Depute Principal advised that launch of the University's new Optometry programme would be delayed until September 2020. This was primarily because of problems recruiting staff which had meant that the University was not yet in a position to achieve the General Optical Council accreditation that was necessary to market these courses. It was noted that outstanding issues were being resolved and that the University was confident that GOC approval would be achieved before November 2019.

## 8.2. HESA non-continuation

The Depute Principal advised Court of an error with the University's non-continuation statistics that had been reported to the Higher Education Statistics Agency (the actual figure for non-continuation was 14% not 8.1%). This was due to a technical error with data held within the SITS database. This issue had been resolved and should not happen again.

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# 9. REPORTS & CIRCULARS

## 9.1. \*Public Sector Equality Duty Report

Court approved the recommendation within paper UC19-022 for the Chair to approve the University's statutory reports that needed to be published on the institution's website before 30th April 2019.

It was noted that draft reports would be shared with the vice chair prior to approval by the chair and that the final documents would be circulated to all members for information in due course.

 UC19-023 ED PSED COURT COVER SHEET.pdf

## 9.2. UHI Health & Safety Report

Court noted paper UC19-024.

 UC19-024 Annual Health and Safety Report.pdf

## 9.3. HISA Report

Court noted the attached paper.

The President of HISA requested that the University review the way that it allocated funding to HISA. Currently the association receives funding from UHI and partners separately and it was requested that a single payment from the University would make planning easier. The Principal undertook to discuss this proposal with the Partnership Council.

 UC19-024 HISA Court Update March 19.pdf

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# 10. DATE OF NEXT COURT MEETING: 19 June 2019

