

University of the Highlands & Islands

University Court

Wed 17 March 2021, 13:00 - Wed 17 March 2021, 16:00

By VC Microsoft Teams

Present

Garry Coutts (Chair), Todd Walker (Principal and Vice Chancellor), Andrea Robertson (Vice Chair), Anton Edwards (Rector - Chair of Foundation), Linda Kirkland, Poonam Malik, Rosemary McCormack, David Sandison, Kirsty Macpherson, Michael Foxley, Sarah Helps, Lesley A. Cole, Sara O'Hagan, Malcolm Burr, Brian Crichton, Angus Campbell, Jack Shetata, Mei-Li Roberts, Fiona Larg (Chief Operating Officer & Secretary), Gary Campbell (Vice Principal - Strategic Development), Neil Simco (Vice Principal Research & Impact), John Kemp (Vice Principal Further Education), Lydia Rohmer (Vice Principal - Tertiary), Niall McArthur (Director of Corporate Resources), Stuart Gibb, Roger Sendall (Director of Corporate Governance), Beverly Clubley (Observer), Natasha Morgan (In attendance), James Lyndsay (In attendance), Duncan Macaulay (- in part (FGPC)), Murray Easton (- in part (FGPC)), Andrew Smith (- in part (Cushman & Wakefield)), Sarah Jones (- in part (Cushman & Wakefield))

Meeting minutes

1. WELCOME & APOLOGIES

 Court Agenda 17 March 2021.pdf

 University Court Headlines 17 March 2021.pdf

1.1. Apologies

Apologies were received from: Florence Jansen and Heidi May.

1.2. Welcome new members (new staff members/thanks to outgoing members and staff)

Court welcomed the following new members to their first Court meeting

- Professor Todd Walker, new Principal & Vice Chancellor
- Dr Mei Li Roberts, new elected Staff Governor
- James Lyndsay, new HISA Chief Executive (observer/in attendance)

Court recorded its sincere thanks to the following former members for their dedication and service to the University:

- Professor Fiona Maclean, former Vice Chair of Court
- Willie Printie, Independent member and former Chair of Audit Committee
- Dr Gareth Davies, former staff Governor

1.3. Declaration of Interest

- Andrea Robertson and Poonam Malik declared an interest in agenda item 5.2.
- Roger Sendall declared an interest in agenda item 7.6. and was absent for discussion of this item.
- Kirsty MacPherson declared an interest in item 1.6 and was absent for discussion of this item.

1.4. Notification of other business

None.

1.5. Starring

Items 6.3 and 6.4 were starred for discussion.

1.6. Student Residences - Confidential Business

The Chair thanked all members of Court for attending a special session immediately prior to the meeting to receive a presentation from the University's appointed expert advisers Cushman and Wakefield and to ask detailed questions in relation to their recommendation for the University to purchase student residences at Elgin and Dornoch and to buy the University out of the existing facilities management contract for the residences at Inverness, Fort William, Elgin and Dornoch.

Court noted that the Finance and General Purposes Committee (FGPC) had also discussed the recommendations presented in considerable detail at meetings on 25th February and 2nd March 2021 and that committee's deliberations were provided to Court for reference at agenda item 2.4. It was noted that FGPC had agreed to recommend that Court should purchase the residences at Elgin and Dornoch and buy the University out of the current facilities management contract subject to the following conditions:

1. The University should obtain independent formal valuations by an accredited valuer to a standard that was acceptable to auditors for each property.
2. That the Principal & Vice Chancellor provide Court with a clear opinion on whether the University would be capable of taking on the direct management of the residences.
3. That the University and Cushman and Wakefield continue negotiations with Aviva in an effort to restructure the contract in an effort to reduce payments in the short term to allow occupancy stabilisation.

It was reported that FGPC had concluded that the proposed actions represented the best method to resolve an unsatisfactory situation.

The Chief Operating Officer reported that the independent valuations had been completed and had valued each asset at £3M.

The Principal & Vice Chancellor assured Court that appropriate resources and management effort would be applied, maintained and monitored with regular reports to FGPC and Court to provide visibility for non-executives and to ensure that our students received a better service than the current offer.

Following due consideration and subject to completion of appropriate due diligence the Court unanimously agreed to purchase the two Special Purpose Companies that owned the Elgin and Dornoch residences and to buy the University out of the current residences management agreement for Inverness, Fort William, Elgin and Dornoch.

Court noted that this action represented the best solution to resolve an unsatisfactory situation and it would also provide opportunity for the University to take greater control over the operation of the residences with a view to increasing occupancy, reducing costs and improving performance for the benefit of current and future students.

Court noted that the development of students residences had been a difficult project for the University with numerous challenges and it was agreed that there would be merit in commissioning an independent review of the project to identify and record key lessons learned. Court also agreed to consider possible alternative management arrangements for the units in the event that the University determined that it would prefer to outsource the management operations.

The Chair recorded particular thanks to co-opted members of the FGPC committee Duncan Macaulay and Murray Easton and representatives from Cushman and Wakefield for their significant contributions to the deliberations.

 UC21-022 UC CONFIDENTIAL purchase of student residences.pdf

 UC21-022a UHI Residences Briefing to Court_sent.pdf

2. MINUTES OF MEETINGS

2.1. Approval of Court minutes of 25 November 2020

The Court reviewed and approved the minutes of the meeting held on 25th November 2020 as an accurate record.

 UC20-107 Minutes_University Court_251120.pdf

2.1.1. Note of Partnership NED meeting held on 8 December 2020

Court noted the minutes of the special partnership meeting held on 8th December 2020.

 UC20-107b Minutes_University of the Highlands and Islands Partne_081220.pdf

2.2. Matters Arising

The Court reviewed the paper setting out actions and matters arising from the previous minutes. It was noted that all outstanding matters were the subject of substantive agenda items and updates at this meeting.

 UC21-001 Court Matters Arising 032021.pdf

2.3. Review of Delegated Decisions

None.

2.4. Minutes from Committees of Court since last Court meeting:

The Court reviewed the minutes of following committees of Court:

Todd Walker

2.4.1. Audit Committee

Court noted that the Audit Committee had highlighted the following issues and concerns for the attention of Court:

- **External Audit:** The Audit Committee was concerned by the poor level of service provided by the outgoing External Auditors and the level of fees charged. It was noted that final approval of 2019/20 financial accounts had been delayed three months due to a lack of external audit resource being applied early enough in the process. The COOS advised that the University was currently progressing a tender exercise to identify new external audit partners to be appointed before the end of May 2021.
- **Academic Partner Internal Audit Assurances:** The level of assurance available to the University via the University Audit Committee had reduced significantly since the previous year. Four academic partners had provided qualified opinions on governance, risk management, control and value for money and one partner had provided no internal audit opinion this year on the basis of having not completed sufficient internal audit work. This was regarded as a significant issue that needed to be addressed as a priority. It was noted that the Principal & Vice Chancellor and Chief Operating Officer and University Secretary were liaising with the relevant partners.
- **FE Credit Targets:** Some assigned colleges have consistently failed to meet credit activity targets and the committee is concerned about a risk of opportunities for learners to benefit from FE provision being lost from the region.

 UC21-002 Minutes_Audit Committee_220221.pdf

2.4.2. Finance & General Purposes Committee

Court noted that the main item considered by the committee in February and March was the proposal to purchase student residences as reported at item 1.6 above.

Court noted that the committee had also considered a report provided by the University's independent pension advisers. The following points were highlighted:

- University staff are enrolled in the USS and LGPS pension schemes.
- The schemes are becoming increasingly unaffordable in terms of required contributions, however, the cost of leaving these schemes is prohibitive and this is an issue that is affecting the entire University sector.
- The Financial and General Purposes Committee has engaged independent pensions advice from Barnett Waddingham and will revisit options following the 2020 valuation of the USS scheme.
- Court noted that pensions are a particularly complex issue and noted that FGPC had requested that Court consider co-opting or appointing an independent member with specific skills and experience of pensions in the next recruitment cycle in an effort to enhance the balance of skills and experience available to Court.

 UC21-003 DRAFT Minutes_Finance and General Purposes Committee (FGPC)_250221.pdf

 UC21-003a DRAFT Minutes_Special FGPC Session - single item carried ove_010321.pdf

2.4.3. Regional Strategy Committee

Court noted the minutes of the meeting held on 10th February 2021.

 UC21-004 Minutes_Regional Strategy Committee (RSC)_100221.pdf

2.4.4. Academic Council/Activity Report

Court noted the report provided in relation to the meeting held on 9th December 2020.

 UC21-005 Officers Report (9 December 2020).pdf

2.4.5. Honorary Awards Committee of 26 November 2020

Court noted the minutes of the meeting held on 26th November 2020.

 UC21-006 Minutes_Honorary Awards Committee_261120 (1) (1).pdf

2.4.6. Honorary Awards Committee of 24 February 2020

Court noted the minutes of the meeting held on 24th February 2020.

 UC21-007 Minutes_Honorary Awards Committee_240221.pdf

3. CHAIRMAN/PRINCIPAL'S COMMENTS

Roger Sendall

The Chair advised that he intended to implement the following new protocols:

1. To invite independent and co-opted independent members of Court and committees of Court to attend an informal meeting with the Chair between meetings of Court in an effort to develop closer relationships and to provide members with an opportunity to ask questions and become better informed about key activities and challenges within the University partnership.
2. To circulate a high level summary of Court's key discussions and agreed actions within five days of each Court meeting in an effort to ensure that internal stakeholders were well sighted on current business. It was noted that this document would not constitute a formal record of Court business and members would need to refer to approved minutes for the official record.

3.1. Vice Chancellor's Report

Court received a written report from the Principal and Vice Chancellor setting out key activities, opportunities and challenges affecting the University partnership at the current time and incorporating updates from members of the University's senior executive team.

The Principal and Vice Chancellor also provided Court with a verbal update in relation to activities and events that had occurred subsequent to publication of the above report. The following points were noted:

- Court was pleased to note that the Head of Terms Agreement for the Islands Growth Deal had been signed earlier in the day, highlighting specific projects to be funded, with the Scottish and UK Government's each investing £50 million into the Deal over a 10 year period. The three island authorities and their regional partners have also committed a further £235 million to the deal, bringing the total investment package to £335 million. Court recorded special thanks to staff members Professor Neil Simco and Beth Mouat for their efforts and significant contributions to this initiative.
- Court welcomed the Brexit update prepared by former Director of European Development Linda Stewart that was made available to members within the Admin Control documents area. It was noted that Court wished to receive an update report on the new initiatives that would replace EU Structural Funds at their next meeting.

Court thanked the Principal and Vice Chancellor for a very well presented and informative report.

 UC21-008 P&VC Report to Court 17 March 2021.pdf

3.2. Academic Partner Quarterly Reports

Todd Walker

Court considered and reviewed the Academic Partner Quarterly update reports. Court was disappointed to note that four academic partners had not provided reports this quarter.

Court requested that the Principal & Vice Chancellor review the purpose and format of the academic partner quarterly reports to ensure that they provided members of Court and academic partner chairs with the most value. In addition, Court requested that the PVC liaise directly with partner principals to express the importance that Court placed on receiving regular informative reports from each partner and to reaffirm Courts expectation that such reports also be presented and considered by local boards of management.

 UC21-009 March 2021 AP quarterly report.pdf

3.3. Blueprint (Financial Recovery Strategy)

Court reviewed the Blueprint document that had been developed as a direct response to the challenge issued by Court in November 2020 to identify substantive savings of circa £20M.

Court noted that the paper included a forecast and forward plan that would achieve savings or new income of an estimated £15M. It was noted that the plan was challenging and ambitious and that it was focussed on delivering financial efficiency savings and developing more sustainable, improved and joined up services. Successful delivery of the Blueprint would require a commitment and willingness to adapt and to implement changes within the executive office and within academic partners. The following key points were noted:

- The Blueprint provided a broad framework for delivering and managing activity in a more efficient and joined up manner across the whole university partnership.
- Further more detailed work was needed to implement the initiatives and proposals outlined within the report and perhaps most significant was a need for all parties to fully commit and engage with the change process to ensure that plans were successful in delivering improvements within identified timescales.
- Court and relevant committees of Court would require regular monitoring and key performance data at specified milestones to provide assurance that appropriate progress was being progressed.
- Court unanimously agreed to endorse the Blueprint document and to progress the recommendations contained within paper UC21-010 as presented.

 UC21-010 UHI Financial Blueprint Final.pdf

 UC21-010a Recovery plan risk register.pdf

3.4. Update on Change Management Actions

Court noted paper UC21-011 providing an update in relation to progress with delivering actions identified in the University partnership's Change Management Plan. Court noted that the 18 separate workstreams identified in the original plan agreed by the partnership in July 2020 had now been developed and consolidated through consultation with the Partnership Council. Accordingly, progress was now being monitored in accordance with the following five key areas:

1. Curriculum Review and RAM
2. Income Generation
3. The Financial Savings Plan
4. Professional Services including the EO evaluation and
5. Human Resources/Health and Wellbeing.

Court welcomed the simplified approach as presented.

 UC21-011 Change Management Actions Court update Mar 2021.pdf

4. HIGHLANDS AND ISLANDS STUDENTS' ASSOCIATION

4.1. HISA Update

Court welcomed receipt of the report UC21-012 and a verbal update in relation to current student elections and social activities provided by the HISA Depute president.

 UC21-012 HISA Update UHI Court Mar 21.pdf

5. COMMITTEES & MEMBERSHIP

5.1. Recruitment and Election of New Chair

Court noted paper UC21-013 providing an update on progress with the recruitment and election of new Chair in accordance with obligations prescribed within the Higher Education (Scotland) Act 2016.

 UC21-013 UC recruitment of chair.pdf

5.2. Committees of Court: Appointments and Membership Changes

Todd Walker

Court reviewed paper UC21-014 and resolved as follows:

1. To appoint Andrea Robertson as Interim Vice Chair and Senior Independent Member of Court.
2. To appoint Poonam Malik as Interim Chair of the University's Remuneration Committee.
3. To homologate all the identified decisions made by the Nominations committee as set out within paper UC21-014.
4. To expand the membership of Academic Council to 35 members in order to enhance the tertiary composition of the Academic Council and to ensure compliance with Article 22 of the University's Articles of Association. Most notably Court agreed to:
 - Authorise the Governance and Records Department to progress an election of nine additional staff members to join the Academic Council as members in accordance with Article 22.1g
 - To delegate authority to the Principal & Vice Chancellor to appoint two additional Academic Partner Principals to join the Academic Council as members in accordance with Article 22.1h.

 UC21-014 AC and Court Memberships 03 2021.pdf

6. STRATEGY & PLANNING

6.1. Draft Strategic Plan update

Todd Walker

Court endorsed the draft new strategic plan for consultation with staff, students and other stakeholders. It was noted that the consultation period would be progressed in March and April with a final version presented to Court for approval in June 2021.

 UC21-016 DRAFT 2021-2025 Strategic Plan.pdf

6.2. RAM Review Update

John Kemp

Court considered paper UC21-016 providing a summary of the outcome of the RAM review consultation. The following points were noted:

- Court endorsed the recommendations outlined within the paper to progress additional work to consider the detail of some of the proposals presented prior to final consideration.
- Further clarification was needed in relation to interdependencies between the level of top slice applied by the University, the EO evaluation and functions and activities undertaken by the University to ensure coherent delivery of FE and HE throughout the region and through partners.
- Court noted that future progress with the RAM Review workstream would be incorporated within new change management project reports as discussed at item 3.4 above.

 UC21-016 RAM court paper 170321 .pdf

6.3. Update on Options Appraisal with SRUC

Court discussed paper UC21-017 submitted by the Chief Operating Officer and University Secretary advising that a joint commission with SRUC had been awarded to specialist consultants Accenture to provide strategic options to an independent assurance group that included SFC representation. The following key points were noted:

- The SFC had informally agreed to fund the work through their transformation fund and the consultancy work had been commissioned on this understanding.
- A joint communications plan had been established and it was noted that the completed report and recommendations would be provided to Court and to the SRUC boards in May 2021 for their review and consideration as appropriate.
- For the avoidance of doubt, assurances had been received from the SFC that the steering group would not report to anyone else other than Court and the board of SRUC and any decisions/recommendations resulting from the work would be for the University and SRUC to consider and progress or otherwise.
- It was agreed non-executives would be fully engaged and involved in the development phase of the report.

 UC21-017 SRUC UHI options appraisal update 0321.pdf

6.4. Gaelic Language Paper

Neil Simco

Court discussed a joint paper prepared by the Principal of Sabhal Mòr Ostaig and the Vice Principal Research and Impact articulating the main priorities for developing Gaelic aligned with the University's Gaelic language Plan over the next twelve months and indicative themes for the next iteration of that plan.

It was noted that Court supported the plan as described within the paper but that Court encouraged further development across the partnership, particularly in Inverness, West Highland and Argyll in the medium term.

 UC21-018 Gaelic Language paper.pdf

7. GOVERNANCE & RISK

7.1. New Academic Partnership & Service Level Agreements

Fiona Larg

Court formally approved the final version of new Partnership and Service Level Agreements between the University and individual academic partners. It was noted that Court would request academic partners to formally approve and return the new agreements before the end of March 2021. If meeting schedules did not fit with this request then Court would respectfully ask that partners convene a special meeting or progress approvals by circulation.

Court heard that there was one outstanding matter relating to Intellectual Property (IP) rights that may still need to be resolved for two partners, however, it was noted that Partnership Council had recently approved a new partnership wide IP policy and no issues had been identified by any partners at that point. Court directed the Chief Operating Officer and Secretary and the Principal and Vice Chancellor to engage with the partners concerned to get that matter resolved as a priority action.

[UC21-020 Academic Partner agreements final 0321.pdf](#)

7.2. Effectiveness Review of Court and Committees

Garry Coutts

Court noted paper UC21-021 providing the results of the 2020 internal effectiveness review of Court and committees of Court. It was noted that the Chair would work with the Vice Chair to identify any appropriate opportunities to develop and enhance governance processes and overall effectiveness.

[UC21-021 20210309 Court and Committees 2020 Effectiveness Review.pdf](#)

7.3. Corporate Risk Register

Roger Sendall

Noted.

[UC21-023 Risk Paper March 2021.pdf](#)

7.4. Review/Re-approve Standing Orders

Fiona Larg

Court reviewed and re-approved the Standing Orders of the University Court.

[UC21-024 Standing Orders re-approval.pdf](#)

7.5. Revised Delegated Authority Schedule

Fiona Larg

Court approved the amended Delegated Authority Schedule.

[UC21-025 Revision of Delegated Authority Schedule.pdf](#)

7.6. Appointment of Interim University Secretary

Court approved a recommendation to appoint Roger Sendall as acting University Secretary for a period of six months with effect from 19th April 2021.

[UC21-026 appointment of acting secretary.pdf](#)

8. FINANCE AND PERFORMANCE

8.1. Finance System Convergence Project update

Niall McArthur

Court noted paper UC21-027.

[UC21-027 Fin system project update.pdf](#)

8.2. 2020-21 Q2 Management Accounts

Niall McArthur

Court noted paper UC21-028.

[UC21-028 - 20_21 Q2 YTD Management Accounts.pdf](#)

8.3. 2020-21 Q2 Reforecast

Niall McArthur

Court approved the Quarter 2 reforecast - paper UC21-029.

[UC21-029 - 20_21 Q2 Reforecast Management Accounts.pdf](#)

8.4. Academic Partner Financial Monitoring (FFRs)

Niall McArthur

Court noted paper UC21-030.

 UC21-030 AP Finance monitoring 20-21.pdf

8.5. Update on Recruitment; FE & HE Student Numbers - including HE Recruitment for AY2021/22

Niall McArthur

Court noted paper UC21-031.

 UC21-031 Student Activity report 20-21.pdf

9. ACADEMIC BUSINESS

9.1. Update on REF Submission

Neil Simco

Court noted paper UC21-032 containing a high level commentary on the University's REF 2021 submission.

 UC21-032 REF2021 Update for Court.pdf

9.2. Enhancement Led Institutional Review (ELIR)

Court noted paper UC21-033.

 UC21-033 ELIR update for Court Mar 21.pdf

10. REPORTS & CIRCULARS

10.1. UHI Academic Partner Health & Safety Report

Niall McArthur

Court noted paper UC21-034.

 UC21-034 UHI AP Annual H&S report 2019-20.pdf

11. DATE OF NEXT COURT MEETING

11.1. 16 June 2021

Noted.

12. RESERVED BUSINESS

12.1. Update on Cyber Security Incident

Court received a verbal update in relation to a cyber incident which has caused some disruption to systems and networks across University and academic partner campuses. It was noted that thanks to robust backup systems, we have been able to minimise the impact of the incident, which is now contained. The UHI IT team and data security colleagues are working together with external experts to investigate the full scope of the incident which is subject to an ongoing police investigation.

13. Record of thanks.

Court acknowledged and recorded special thanks to the Chief Operating Officer and University Secretary Fiona Larg who would be retiring from service with the University in April. Court thanked Ms Larg for her dedication to duty and tireless commitment to the development and success of the University over many years and wished her a happy and healthy retirement.

