

**MINUTE OF THE COURT MEETING (UC)  
UNIVERSITY OF THE HIGHLANDS AND ISLANDS  
HELD ON TUESDAY 13<sup>th</sup> DECEMBER 2011  
AT THE EXECUTIVE OFFICE, NESS WALK, INVERNESS  
AT 11:00 HRS**

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**PRESENT:** Professor Matthew MacIver (Chair)  
Jack Watson  
Wilma Campbell  
James Fraser  
Janet Hackel (VC)  
Professor Anton Edwards from 12:28  
John Eccles  
Professor Donald MacRae  
Dr Bruce Nelson from 12:28  
Michael Gibson  
Norman Sharp from 12:28  
Dr. Fiona Skinner  
Eileen Mackay from 12:28  
Nathan Shields  
Thomas Prag  
Norman Sharp from 12:28  
Aideen O'Malley (VC)  
Penny Brodie (VC)  
Ken Kennedy  
Murray McCheyne  
Garry Sutherland  
Andy Rogers

**IN ATTENDANCE:** Marlene Wood (VC)  
Gary Coutts  
David Green  
Martin Wright  
Fiona Larg  
Lorna MacDonald  
Rheannon Tinsley item 6.1  
Jacki Graham item 6.1  
Heather Fotheringham item 6.2

**APOLOGIES:** Roger Sendall (minutes)  
Professor Kenneth Miller  
Ertie Nicholson  
Professor Norman Gillies  
Allan Wishart  
Rt Hon Lord William Prosser  
Dr Crichton Lang  
Dr Jeff Howarth

Jean Urquhart  
Dr Jana Hutt  
Joe Moore  
Hugh Morison  
Dr Alistair Mair  
Niall Smith

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ITEM	ACTION
<b>1 INTRODUCTION</b>	
<b>1.1 Welcome and Quorum</b>	
<p>It was noted that in accordance with Article 9.4 of the university's Articles of Association that the quorum for meetings of the Court was 10 Governors of whom 6 must be independent. Consequently, the meeting was not quorate since only 5 independent members were present.</p>	
<p>It was noted that 3 independent Governors were currently en-route to the meeting having suffered a delay to their train due to adverse weather conditions. They were expected to arrive at 12:00. It was agreed to begin the meeting inquorate and to review/ratify all decisions as soon as a quorum was achieved.</p>	Chair
<b>1.2 <u>Declarations of Interest</u>: None</b>	
<b>1.3 <u>Notification of other business</u>: None.</b>	
<b>2 MINUTES OF MEETINGS</b>	
<b>2.1 Approval of Minutes.</b>	
<p>The Court resolved to approve the minutes of the meeting held on 6<sup>th</sup> October 2011 (UC11-051).</p>	
<p>Mr Gibson reported that whilst he accepted the minute provided an accurate record of the decisions of the meeting he was concerned that it did not adequately reflect the substantial level of discussion that Court members had given to financial matters within the meeting. He felt it was important for future minutes to be more explicit in this regard.</p>	
<p>It was noted that any member could request specific points and/or comments made to be formally recorded in the meeting minute via the Secretary.</p>	
<b>2.2 Matters Arising/Action Points.</b>	
<p>Court considered the paper (UC11-052).</p>	
<p><b>High Level Risk Register (HLRR):</b> The Court was pleased to note that ten APs had shared copies of their organisations risk registers with the Risk Review Group (RRG).</p>	
<b>3 CHAIRMAN/PRINCIPAL AND VICE CHANCELLOR'S REPORT</b>	
<p>It was noted that the Chairman had accepted invitations to participate in a Government working party in connection with the current review of HE governance and to become a member of the Scottish panel of the BBC Trust.</p>	
<p>The Chairman was pleased to confirm that HRH the Princess Royal had agreed to become the first Chancellor of the university. Consideration was currently being given to planning an appropriate event to confirm this appointment and it was agreed that the Celebration Committee should be re-convened in the new year with authority to oversee arrangements.</p>	

It was noted that the Principal had begun a blog and that this was available for all university staff to view via the intranet.

Court noted the Principal's attendance and involvement in the following activities and conferences.

- Lipid biology, diabetes and cardiovascular science symposium
- Convention of the Highlands and Islands (COHI)
- University Collaboration in Regional Development Spaces UNICREDS
- Digital Agenda for Europe
- SCDI Influencers Dinner
- Various graduations
- Meeting with Argyll College Board
- Meetings with Perth and Argyll Education Authorities
- Hosting visit of Conservative Shadow Education Minister
- Accepted appointment to Commission on Delivery of Rural Education
- Fundraising with Robertson Trust – SAMS Explorer Centre
- Appointment of new Head of Development for the UHI Development Trust
- National Economic Forum and ISLES project (Irish Scottish Links on Energy)

Court noted that the new Head of Development would begin in post on 1<sup>st</sup> March 2012.

### **3.1 NEWS AND EVENTS ROUND UP**

Court noted the content of the paper UC11-053.

## **4 COMMITTEES AND MEMBERSHIP**

### **4.1 Membership and Committee Structure.**

Court considered the paper UC11-054. The following points were noted;

- Independent member Anne Clark had resigned from Court on 18<sup>th</sup> November 2011 for personal reasons.
- The NAFC Marine Centre had appointed Ertie Nicholson as Chairman, replacing Iris Hawkins in attendance at Court meetings.
- The Nominations Committee would meet following Court to review applications for two new independent members.

It was agreed to grant the Nominations Committee the authority to select two new independent members for appointment to the Court.

Chair

It was reported that Anne Clark had served as Chair of the Equal Opportunities Committee (EOC). It was noted that an effective Equal Opportunities Working Group had been established by EOC with good cross partnership representation and it was agreed to disband the Equal Opportunities Committee and to transfer reporting of the Working Group to the Finance and General Purposes Committee (FGPC) who currently had responsibility for Human Resources. It was agreed that EOC members would have opportunity to attend the working group. It was noted that Court would continue to require reports on Equal Opportunities matters on an annual basis.

## **FINANCE AND PLANNING**

### **5.1 Finance Report**

The Chair of FGPC was pleased to report that confirmation had been received that UHI had secured additional ESF grant funding in connection with the Investing in Recovery programme. This would amount to an additional £1.8m in 20011/12, £1.8m in 2012/13 and £400k in 2013/14.

Court noted the paper UC11-055 prepared by the Director of Finance. It was noted that the additional ESF grant money mentioned above was not accounted for within the paper.

The Director of Finance explained that the presentation of financial information had been reviewed and amended significantly following consultation with the Budget Challenge Group and FGPC in an effort to provide Court members and APs with clearer descriptions of EO budgetary spend and activities. This had involved establishing a new coding structure to improve the presentation of pay and non-pay items. It was noted that the new format had been used for the first quarter management accounts.

Court noted that the Financial Forecast Return submitted to SFC in June 2011 had detailed deficits of £2,939K and £4,539K in 2012-13 and 2013-14 respectively. This was based on the best information available and the underlying assumption that UHI EO would absorb the impact of projected SFC funding reductions at that time. The current financial situation was much improved as a result of the Comprehensive Spending Review (CSR) announcement and associated Ministerial Guidance for HE activities. Accordingly the financial forecast had been amended to reflect small surplus budgets of £300k and £500k for 2012-13 and 2013-14 respectively. It was noted that an indicative funding letter was due to be released by the SFC prior to Christmas and this would enable a further review of the forecasts to be undertaken with a greater degree of certainty.

It was noted that the financial outlook for FE colleges was less optimistic and that there was a considerable risk that planned government cuts to FE budgets would adversely impact the ability of UHI to deliver HE targets.

Court welcomed the paper and thanked the Chair of FGPC and Finance Director for their efforts to enhance the transparency of financial information.

### **5.2 2010-2011 Statutory Accounts of UHI**

Court considered the Report and Financial Statements for the year ended 31st July 2011 (UC11-056). It was noted that the draft accounts and financial statements had been reviewed by FGPC on 29<sup>th</sup> November and by the Audit Committee on 30<sup>th</sup> November 2011. It was noted that a number of minor amendments to the narrative had been made following these meetings and it was reported that FGPC and the Audit Committee recommended approval of the Report and Financial Statements for the year ended 31st July 2011 by Court.

Court sought an explanation as to why staff costs had increased on the previous year (page26 note 7). It was noted that the figures were not comparing like with like due to project costs and that a number of redundancies had occurred.

Following due consideration the Court resolved that the Report and Financial Statements for the year ended 31st July 2011 should be formally approved.

**5.3 Management Letter/Audit Results**

The Committee noted a report from the External Auditor Ernst & Young summarising their results in connection with an audit of the Report and Financial Statements for the year ended 31st July 2011 (UC11-057).

The Chair of the Audit Committee reported that the Audit Committee had met with the external auditors on 30<sup>th</sup> November. Court was pleased to note that the Audit team had complemented the UHI Finance team for a good experience in terms of both cooperation and preparedness for the audit. It was noted that no significant issues had been identified by the audit process and that the auditors would issue an unqualified opinion in connection with the financial statements of the university.

**5.4 Letter of Representation**

Court resolved to approve the Letter of Representation (UC11-058) for the auditors in connection with their audit of Report and Financial Statements for the year ended 31st July 2011.

**5.5 2010-2011 Statutory Accounts of UHISA**

Court noted the above Report and Financial Statements for the year ended 31st July 2011 (UC11-059).

**5.6 2010-2011 Statutory Accounts of UHI Development Trust**

Court noted the above Report and Financial Statements for the year ended 31st July 2011 (UC11-060).

**5.7 Annual Report of the Audit Committee**

Court received a comprehensive report from the Chair of the Audit Committee in connection with the above report UC11-061. Following due consideration Court resolved to approve the report.

It was noted that following two recent resignations from the UHI Court that only one independent member of Court was currently appointed to the Audit Committee. It was therefore considered important to resolve this by appointing new members to the Committee. It was agreed to do this following the appointment of new Court members.

**5.8 Statement of Internal Control**

Court accepted a recommendation from the Audit Committee to approve the Statement of Internal Control 2010/11 (UC11-062) executed on 17th November 2011 by the Principal and Vice-Chancellor.

It was noted that the document constituted an evidence based assurance for Court relating to the following,

- a. UHI is meeting its statutory obligations and organisational objectives
- b. UHI is Identifying and managing risks to the achievement of its objectives.
- c. UHI has identified the key controls to manage its risks, and
- d. UHI is satisfied that its key controls are effective.

Secretary

## **5.9 Final Budget for 2011/2012**

Court approved the final budget for 2011/2012 (UC11-063). It was noted that the budget had been approved by FGPC on 29<sup>th</sup> November 2011. It was noted that the budget did not include the additional ESF grant funding mentioned at 5.1 above.

The Deputy Chair of the Executive Board sought an assurance that the additional ESF money would be passed to APs in full. It was noted that Court fully recognised and supported the concept of committing to deliver as much of the additional funding as possible to APs. However, it was noted that prior to releasing additional funds to APs that Court must be assured that robust mechanisms and processes were in place to demonstrate that APs were achieving their student number targets since failure to achieve targets would be likely to result in significant reputational damage for UHI and a need to repay the grants. Court noted that a proposal to distribute the additional funds would be prepared for discussion by the Executive Board in due course.

## **5.10 Report from Budget Challenge Group**

Court received a verbal report from Michael Gibson in connection with the budget challenge process that had been initiated by Court in June 2011.

Court noted that the Budget Challenge Group had met with the UHI Finance Director, Secretary and EO budget holders in an attempt to develop a clearer understanding of EO finances and activities. Significantly the group had recognised that a substantial proportion of EO spend actually related to services that were of direct benefit to the partnership as oppose to head office functions. As a result the group had recommended that measures be introduced to improve budgeting transparency and this was the basis for the Director of Finance introducing the new cost coding structure and presentation of pay and non-pay items discussed at section 5.1 above.

The Chairs of FGPC and Court thanked the group and the Finance team for their considerable efforts and cooperation and for delivering tangible improvements to the presentation of financial information and data that would assist the partnership to move forward in a culture of transparency and openness.

## **5.11 ESF Funding – Investing in Recovery**

Court noted the paper UC11-064 that had been prepared by the Secretary in advance of receiving confirmation of additional grant funding. It was noted that university's plan would be to utilise the additional monies to provide for additional funded student places over the next three years.

## **5.12 Management Accounts to 31<sup>st</sup> October 2011**

Court noted the management accounts for the three month period ended 31st October 2011. It was noted that the management accounts were available for Court members to view online.

## **5.13 Scottish Funding Council (SFC) Update**

The Principal advised that SFC was currently finalising distributions in connection with publishing an indicative funding statement for universities on 21st December 2011. It was expected that UHI would receive a significant uplift in terms of grant funding from the SFC that would be linked to a new outcome agreement.

*12:26 – Arrival of N Sharp, E Mackay, A Edwards and B Nelson. It was noted that a quorum was now present. The Chair updated members on the above business. Court resolved to ratify all the above decisions.*

## **5.14 Strategic Plan**

12:26 exit  
D MacRae

Court resolved to approve the Strategic Plan 2012-2017 (UC11-065) subject to a minor amendment.

It was noted that the Court wished to record its gratitude to the Director of Marketing Communications and Planning and his team for conducting an extensive consultation process and for taking account of views in the preparation of a worthy document.

## **6 ACADEMIC**

### **6.1 ELIR Draft Report**

Court considered the paper UC11-066 prepared jointly by the Vice Principal Academic and his team comprising the final draft of UHI's reflective analysis template document in connection with a forthcoming QAA Enhancement-Led Institutional Review.

It was noted that the document had previously been considered and approved by LTQC, and by Academic Council. The UHISA Executive had also considered the document and it was noted that they were wholly supportive of its content.

Following due consideration Court resolved to approve the report.

The Chairman thanked the Vice Principal Academic and his team for providing an excellent report. Special thanks were attributed to Jacki Graham who it was understood had undertaken much of the collation.

### **6.2 Retention of Students**

Court noted the paper UC11-067 prepared by Dr Fotheringham providing details of activities taking place to improve retention within the university.

Court thanked Dr Fotheringham for expanding the report with provision of more quantitative data as requested at the last meeting.

## **7 GOVERNANCE**

### **7.1 Post 16 Consultative Responses**

Court discussed the paper UC11-068 prepared by the Principal outlining the themes, tone and main aspects of a suggested UHI response to the following government consultation documents; Putting Learners at the Centre: Delivering our ambitions for Post-16 education and College Regionalisation: Proposals for Implementing Putting Learners at the Centre.

It was noted that Court were broadly supportive of the themes contained within the suggested outline response.

Court noted that the matter would be considered by the Executive Board on 15<sup>th</sup> December and on that basis Court agreed to grant authority for the Principal to formulate the final UHI responses in consultation with the UHI Chair and Vice Chair following discussion at EB.

Significantly Court directed that the UHI response should be used as an opportunity to highlight the unique position of UHI whereby much of the delivery of HE was undertaken by FE college partners and to underline the fact that it would be very difficult for the university to deliver on its HE targets if the FE funding cuts passed on to UHI APs led to a diminution of capacity to deliver.

In addition, Court directed that the response must also seek clarification with regard to how the government intended to fund plans to introduce HE to the year 6 curriculum in schools.

In response to the College Regionalisation consultation paper it was noted that Court felt that it would be inappropriate for UHI to comment in detail at this stage whilst the outcome of the Options for Change process remained unclear. Consequently, Court felt that the UHI response to this document should be limited to endorsing the principle of funding on a regional needs basis and to endorsing any comments made by APs where these were consistent with UHI's strategic plan.

## **7.2 Options for Change**

Court received a verbal report from Michael Gibson in connection with the Options for Change consultation. It was noted that PTWG would receive and consider Capita's final report and recommendations on 6th January 2012. As soon as possible following this the report would be widely circulated to stakeholders including Court members, Academic Partner Boards of Management, Foundation, Government/SFC and staff members.

It was noted that APCC/AP Principals and the UHI Foundation would be invited to consider the report at meetings scheduled for 9th and 11th January respectively.

The report would then be presented to An Comann by Capita on 18th and 19th January and the Court would meet on 19th January to consider the report and to make a recommendation to AP Boards of Management as appropriate. AP governing bodies would then be requested to meet to make their own determination of the Court recommendation before 22<sup>nd</sup> February 2012.

## **7.3 Leadership Development**

Court noted the paper UC11-069 explaining proposals for leadership development across the partnership that had been approved by Executive Board. Court noted that 21 applications had been received for the Senior Manager Development Programme that was scheduled to begin in January 2012.

Exit 14:00  
A Rogers

**7.4 Report from Academic Partner Chairs Committee**

Court noted the draft minutes of the meeting held on 18<sup>th</sup> November 2011.

**7.5 Report from UHI Foundation**

The Rector provided Court with a brief report relating to a meeting of the Foundation held on 17 November 2011. It was noted that Foundation would hold a special meeting on 11<sup>th</sup> January 2012 to consider the Capita report.

It was noted that minutes of the Foundation meeting would be circulated to the Court for information in due course.

**7.6 Report from UHISA**

No significant issues reported. It was noted that the President and Vice President of UHISA would meet separately with the Principal the following day.

**7.7 High Level Risk Register**

The Court noted the updated High Level Risk Register (HLRR) UC11-070.

Significantly it was noted that following Court's previous request to see a more inclusive partnership view of risk management, three actions had been taken: the UHI HLRR had been shared with APs, the Perth College Finance Director had agreed to join the Risk Review Group and the majority of academic partners had shared their risk registers with RRG.

**7.8 Equality and Diversity**

The Court approved paper UC11-071 providing a report to Court in respect of equality and diversity outcomes from the last academic year, the UHI Equality Charter, the Single Equality Scheme for Executive Office - Respecting diversity/promoting equality and an action plan for Executive Office.

**7.9 SFC Circulars**

The Court considered the content of the SFC Circulars and consultations summarised in the appendix to the Court papers. Noted.

**7.10 Reports from Committees of the Court**

The Court considered the minutes of the following meetings;

1. Equal Opportunities Committee 3rd November (Draft)
2. Finance and General Purposes Committee 2<sup>nd</sup> and 29th November (Draft)
3. Academic Council 29th September, 20th October
4. Academic Partner Chairs Committee – 18th November (Draft)
5. Executive Board 29th September, 20th October
6. Risk Review Group 9th November (Draft)
7. Post Title Working Group 28th September, 25th October, 28th November (Draft)

**8 ANY OTHER BUSINESS**

None.

**9 DATES OF FUTURE MEETINGS**

An Comann – 18th and 19th January 2012  
22<sup>nd</sup> February 2012  
20th March 2012  
19th June 2012

The meeting closed at 14:10.