

**MINUTES OF THE COURT MEETING (UC)  
UNIVERSITY OF THE HIGHLANDS AND ISLANDS  
HELD ON WEDNESDAY 14 SEPTEMBER 2016 AT 14:30 HRS  
IN ROOM EO1, NESS WALK, INVERNESS**

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**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)  
Gillian Berkeley  
Eileen Mackay  
Andy Rogers  
Angus Ross (VC)  
Anton Edwards  
Dr David Worthington (VC)  
Luke Humberstone  
Peter Campbell (VC)  
Professor Kenneth Miller (VC)  
James MacDonald  
Iseabail Mactaggart(VC)  
Dr David Alston  
Willie Printie

**IN ATTENDANCE:** Fiona Larg (Chief Operating Officer & Secretary(COOS))  
Professor Ian Bryden (Vice Principal Research & Specialist)  
Irene Peterson – VC (Vice Principal Further Education)  
Crichton Lang (Deputy Principal)  
Paul Hemming (Chancellor of Federation University) - Observer  
Roger Sendall (Head of Governance & Records Management)

**APOLOGIES:** Malcolm Burr  
Dr Jeff Howarth (Vice Principal Enterprise)

ITEM	INTRODUCTION	ACTION
1	<b>INTRODUCTION</b>	
1.1	<b>Welcome and Quorum.</b>  It was noted that a quorum was present.  The welcomed Paul Hemming the Chancellor of Federation University in Australia as an observer and Irene Peterson to her first Court meeting as Vice Principal for Further Education.	
1.2	<b>Declarations of Interest:</b>  It was noted that Angus Ross was Chair of SAMS.	
1.3	<b>Notification of any other Business.</b> None.	

## 1.4 **Starring.**

The following items were starred for discussion:

- 8.1 Annual Statement to SFC on institution-led review in AY 2015/16

## 2 **MINUTES OF MEETINGS**

### 2.1 **Approval of Court Minutes**

The Court resolved to approve the minutes of the meeting held on 15<sup>th</sup> June 2016 (UC16-054).

### 2.2 **Matters Arising**

The Court noted the Matters Arising paper UC16-055.

### 2.3 **Review of Delegated Decisions: None**

### 2.4 **Minutes from Committees of Court**

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

- AU16-057 – Audit Committee of 1<sup>st</sup> September 2016 and Draft Internal Audit Plan 2016/17
- UC15-059 – Academic Council of 9<sup>th</sup> June 2016.
- UC16-060 – Nomination Committee Resolution of 3<sup>rd</sup> August 2016

**The following points were highlighted:**

- Court accepted a recommendation of the Audit Committee to approve the internal audit plan for 2016/17.
- Audit Committee was pleased to have noted a marked improvement in performance with completing agreed management actions in accordance with agreed deadlines.
- The Deputy Principal reported that Academic Council were pleased to note a very successful performance with the recent ELIR quality review process and most recently that UHI had been successful in a joint bid to collaborate with the Universities of Dundee and St Andrews in progressing a new Graduate entry Medical School.
- The NMC had validated two pre-registration nurse training courses and the transition process to transfer nursing student from the University of Stirling to UHI was progressing well.
- Court requested to receive a briefing on the potential implications/consequences on UHI and the Scottish HEI sector of forthcoming changes to the English regulatory framework.

### 3 CHAIRMAN/PRINCIPALS COMMENTS

- It was noted that the QAA Board and subsequently Scottish Government had formally recommended approval of the University's rDAP submission by the Privy Council. An appropriate celebration event would be held following a formal announcement and members were encouraged to submit suggestions and ideas to the COOS for consideration.
- It was noted that a list of graduation ceremony dates would be circulated to members and the Chair encouraged attendance by members at at least one such event each year if possible.
- The potential impact of Brexit on UHI was being closely monitored and assessed and a communication was currently being prepared for release to MSPs and other stakeholders to ensure that key messages in relation to the importance of EU structural funds to UHI and the highlands in general were fully understood and fed into regional, national and sectoral consultations and briefings.

### 4 COMMITTEES & MEMBERSHIP

#### 4.1 Strategy Working Group (Discussed as final agenda item)

The Chair explained that the meeting agenda had been shortened to accommodate substantive discussion on this item and he noted that an additional business meeting would be convened in October to accommodate the business that had been displaced from today's agenda.

The Chair opened discussions by providing Court members with an introduction to his paper dated 14<sup>th</sup> September including an overview of the SWG process so far and his assessment and analysis of the current situation and primary challenges preventing agreement that had resulted most recently in an intervention by the Deputy First Minister who had indicated his intention to meet with key stakeholders on 23<sup>rd</sup> September in an effort to identify a solution.

During the course of the discussion the following key points were noted:

- i. Primary challenges that need to be overcome in order to create a basis for agreement relate to authority, accountability and control and where and by whom decisions are made.
- ii. The University partnership is extremely diverse with various operations located across a widely dispersed geography. It would be impractical to operate and manage the university from one central location and it is accepted that the University partnership requires a well-functioning dispersed structure including a devolved decision making process.
- iii. There is a need to establish a clear and unambiguous description of delegated authorities and responsibilities that will enable decisions to be made and actions implemented within a structure that delivers appropriate accountability in relation to allocated resources.
- iv. The University is a complex partnership and there is a recognised need to establish a "single front door" to the institution. The current model is confusing to both internal/external stakeholders and partners.

- v. The partnership is facing significant financial sustainability issues and must implement efficiency savings through better coordination of activities including single/shared services. This was the primary reason for establishing an SWG in October 2015.
- vi. The partnership has enjoyed significant success through partnership working, the achievement of tDAP, anticipated successful rDAP submission and positive ELIR results are testament to this, however, much of the success is achieved as a result of the good will of staff and partners overcoming structural barriers and working in collaboration to overcome difficulties. A new structure that will assist the University to delivers strategic objectives is desirable.
- vii. All partners accept that the University partnership is hampered by cultural differences and behaviour and work is needed to positively address this and to remove barriers.
- viii. Court members expressed frustration that the Deputy First Minister had felt the need to intervene in the SWG process before the SWG had completed its work and formally reported findings to Court. To date the independent members who were not members of the SWG had not been granted an opportunity to properly consider the issues and options under consideration and to form a view. Court was constituted with a majority of independent members for a good reason consistent with corporate governance best practice and it was critical that such members were granted an appropriate opportunity to consider all possible options and to contribute to the process of identifying an appropriate solution.
- ix. Court members wished to receive clarification in relation to who would be invited to attend a meeting with the Deputy First Minister on 23<sup>rd</sup> September. Court agreed that there was a need to try and identify a consensus view on the way forward for UHI before meeting with the Minister and unanimously agreed that the Minister should not take an action from the meeting to resolve/impose a solution on the partnership himself. Any solution should come from the University itself.
- x. Court members were particularly interested in working to address themes identified within two papers presented to SWG by the partnership staff and by students through HISA including acting to implement “quick wins”.
- xi. There was broad support in relation to the principle of involving AP Principals more effectively in partnership decisions, however, it was essential that this involvement was properly integrated within a robust governance structure that would provide appropriate assurance in relation to the allocation of resources and timeous implementation of decisions.

It was noted that Court wished to consider the issues in greater detail and it was agreed to convene two additional meetings for this purpose on Friday 16<sup>th</sup> September and Monday 19<sup>th</sup> September.

## **5 STRATEGY & PLANNING**

### **5.1 Residences Project – Phase Two Amended Proposal**

The Court approved the recommendation set out within paper UC16-061 to progress an amended phase two student residences development as recommended by the Residences Project Board and Finance and General Purposes Committee.

The Court recorded its congratulations to the project team and City Heart for the successful delivery of the phase one residence developments at both Inverness and Fort William.

## **6 GOVERNANCE**

### **6.1 Academic Partner Board Appointments/Appraisals**

The Court approved the appointment of Donald John MacRitchie to the Board of Management of Lews Castle College and noted the standard recruitment templates that had been implemented in an effort to improve the process.

### **6.2 Effectiveness Review(s)**

Exit G Coutts.

The Vice Chair presented Court with the findings of her effectiveness review of the Chair of Court. It was noted that Court unanimously agreed that the Chair was a highly effective leader. Court noted paper UC16-065a.

Re-enter G Coutts

The Chair presented paper UC16-065b comprising a review of his appraisals with members of Court. It was noted that an independent effectiveness review of Court and committees of Court would be initiated in the following year.

## **7 FINANCE & PERFORMANCE**

### **7.1 SAMS Loan Request**

The Principal & Vice Chancellor reported that he had received a letter from the Director of SAMS dated 7<sup>th</sup> September 2016 seeking temporary financial support of approximately £700k. The request included a number of supporting documents including a copy of the SAMS business plan and background information explaining the unanticipated need for a loan which was due to non-receipt of an anticipated tax rebate. All of the documents had been considered by FGPC on 8<sup>th</sup> September, however, because the members of FGPC had only received the documentation the evening before their meeting there had not been sufficient time to fully consider the request before the meeting and the DoCS was currently working with SAMS to clarify a number of issues raised by the request and to identify possible actions. The matter was presented to Court today for the purpose of early warning and to request Court to grant in principle approval for a process to consider issuing SAMS with a loan if deemed appropriate with authority delegated to the Chair of FGPC to determine the precise terms and details of any such loan arrangements.

It was noted that the Chair of SAMS had declared an interest in the item and it was agreed that he would exit the meeting if Court considered that it wished to discuss any of the issues raised privately.

The following points were noted:

- Whilst KPMG had provided SAMS with some assurance that the anticipated tax rebate would be paid out by HMRC, this matter was currently being investigated by HMRC and there was a genuine risk that SAMS would not receive the anticipated rebate and that as a result they would require a longer term loan.

- Any loan provided to SAMS would need to be funded from the University's reserves and this would have an opportunity cost in relation to a reduced ability to invest in strategic priorities such as further curriculum development. It would also reduce the University's ability to provide financial assistance to other partners.
- Court was minded to support the principle of providing financial support to SAMS, however, it was noted that some additional information was needed in relation to the terms and security of any such loan.
- Court agreed to authorise the Chair of FGPC to approve the terms of any loan offered to SAMS, however, it was noted that Court members would receive further information about any proposed facility and an opportunity to comment on the suggested arrangements and terms before the Chair of FGPC granted approval.

## **8 ACADEMIC BUSINESS**

### **8.1 Annual Report on institution led review of quality.**

Court approved paper UC16-070 comprising the annual summary report for SFC on the University's internal quality processes.

## **9 DATE OF NEXT MEETING**

15<sup>th</sup> September & 19<sup>th</sup> September 2016