

**DRAFT MINUTES OF THE COURT MEETING (UC)
UNIVERSITY OF THE HIGHLANDS AND ISLANDS
HELD ON WEDNESDAY 20 SEPTEMBER AT 14:30 HRS
NESS WALK, INVERNESS**

- PRESENT:** Garry Coutts (Chair of Court) (Chair)
Professor Fiona McLean (Vice Chair of Court) (Vice Chair)
Professor Clive Mulholland (Principal and Vice-chancellor) (P&VC)
Dr Michael Foxley (Chair of FE Regional Board)
Andrea Robertson (Independent member)
Andy Rogers (Independent member Chair of FGPC)
Angus Ross (Specialist and Research Governor)
Anton Edwards (Rector)
Callum Stephen (HISA Vice President – Further Education)
Dr Gareth Davies (Staff Governor)
Holly Scrimgeour (HISA President)
Neil Stewart (Further Education Governor)
Roddy Burns (Independent member)
Rosemary McCormack (Staff Governor)
James MacDonald (Independent member)
Willie Printie (Independent member Chair of Audit Committee)
- IN ATTENDANCE:** Dr Diane Rawlinson – (Vice Principal Further Education)
Professor Crichton Lang (Deputy Principal) [DP]
Fiona Larg (Chief Operating Officer & Secretary) [COOS]
Dr Jeff Howarth (Vice Principal Enterprise)
Lydia Rohmer (Vice Principal Tertiary Education)
Iain MacMillan (Vice Principal Strategic Harmonisation/Organisational Efficiencies)
Professor Neil Simco (Acting Vice Principal Research) [VP-R]
Graeme Kirkpatrick (HISA Chief Executive)
Phil Masterson (VC support)
Nicholas Oakley (acting clerk; minutes)
- APOLOGIES:** None
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ITEM		ACTION
1	INTRODUCTION	
1.1	Welcome and Quorum. The Chair opened the meeting at 14:30 with a quorum present. The Chair welcomed the new members to their first Court meeting.	
1.2	Declarations of Interest: None.	
1.3	Notification of any other Business: None.	
1.4	Starring. The following additional items were starred: 4.4, 5.2, 6.2, 7.3, 7.4, 8.1, 8.2, 10.1	
2	MINUTES OF MEETINGS	
2.1	Approval of Court Minutes Court approved the minutes of the meeting held on 14 th June 2017 (UC17-147).	
2.2*	Matters Arising Court noted the Matters Arising paper (UC17-148.)	
2.3*	Review of Delegated Decisions: None	
2.4	Minutes from Committees of Court Court reviewed the draft minutes of the following meetings: <ul style="list-style-type: none"> • UC17-148a - Finance and General Purposes Committee of 7th September 2017. • UC17-148b - Audit Committee of 31st August 2017. • UC17-148c - Further Education Regional Board of 13th September 2017. • UC17-148d - Academic Council of 7th June 2017. • UC17-148e - Nominations Committee of 14th September 2017. The following points were highlighted: <p>Audit Committee</p> <ul style="list-style-type: none"> • The Chair of Audit Committee explained that 3 assigned colleges had still not completed externally facilitated effectiveness reviews required for 31 March 2017 and the University was consequently unable to provide assurance to SFC in relation to these colleges. The Audit Committee considered that this was further evidence of a cultural problem with non-compliance as reported at the previous meeting and this must be addressed. • Henderson-Loggie LLP had been re-appointed as the University's co-sourced internal audit partners following a procurement process. <p>Further Education Regional Board (FERB)</p> <ul style="list-style-type: none"> • Court was pleased to note that the regional activity targets had been achieved for 2016/17. This was the 6th consecutive year that the region had met its FE student activity targets. • The Chair of FERB had met with the Secretary of State for Scotland to discuss the impact of Brexit on colleges. • Court noted that substantial progress was being made with regard to progressing the Shetland Islands Tertiary Review with a projected completion date of the end of the current academic year. • National bargaining – without full funding, Court was reminded that the financial consequences would be extremely challenging. Reaching agreement on employee terms and conditions are currently a priority. (Further discussion on national bargaining occurred under item 7.1) 	

	<ul style="list-style-type: none"> One Court member commented that the minutes were too summarised, and requested that more information on the discussions held, rather than the actions agreed should be included in future minutes. <p>Academic Council (AC)</p> <ul style="list-style-type: none"> Effectiveness review – following the review, steps are underway to make AC more effective; with more discussion at a strategic level becoming a greater part of AC work; membership is being reviewed with a view to increasing the size of the committee; and an Officer’s Report narrative cover sheet might be included on the front of minutes to give more details of the meeting discussion as well as the context; and consideration is also being given to how AC and Partnership Council interact. <p>Nominations Committee</p> <ul style="list-style-type: none"> Members noted progress made on the recruitment of independent members for Court and FERB. The Chair of FERB requested that he be involved in shortlisting/ interviewing independent members for FERB. 	
3	<p>CHAIRMAN/PRINCIPAL’S COMMENTS</p> <p>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:</p> <ul style="list-style-type: none"> National pay bargaining and efficiency savings are essential priorities for the university in the next 2-3 years. Status reports (UC17-149). Members welcomed the introduction of the new quarterly status reports which gave Court a view on the progress and activities undertaken by Senior Management Team (SMT) members and Academic Partners. Court noted that: <ul style="list-style-type: none"> The reports will be shortened and refined in future, with additional editing, whilst preserving the diversity of voices of the report authors. Examples of cross-partnership working will be particularly welcomed. The reports will be shared with Chairs of APs and Foundation. The covering report by the P&VC will distil key issues (3-5) facing the university for greater visibility. 	P&VC
4	COMMITTEES & MEMBERSHIP	
4.1	<p>2017 Court Appointments Process Update</p> <p>Court noted the Court Appointment 2017 update paper (UC17-149a).</p>	
4.2*	<p>Strategic Programme Assurance Group</p> <p>Court noted that work to establish the Strategic Programme Assurance Group (SPAG) was underway and a report on progress will be included on the agenda of the next Court meeting.</p>	Chair
4.3	<p>UHI Foundation – Staff Election Results</p> <p>Court noted the UHI Court – Staff Governor Elections Results paper (UC17-150).</p>	
4.4*	<p>Nominations Committee Recommendations</p> <p>Court approved the recommendations contained within the Nominations Committee recommendations paper (UC17-151).</p>	
4.5	<p>Homologation of Assigned College Board Appointments</p> <p>Court homologated the Assigned College Board Appointment paper UC17-148)</p>	
5	STRATEGY & PLANNING	
5.1*	<p>Critical Performance Indicators</p> <p>Court considered the Critical Performance Indicators paper (UC17-152). The P&VC explained that the Partnership Council had discussed the CPIs, particularly their appropriateness in light of the changed external environment in the period since they were</p>	

	<p>originally developed and agreed, when ten CPIs were agreed alongside the Strategic Plan. Court were asked to approve changes to the CPIs, with the following key points noted in the discussion:</p> <p>CPI1 (Total students [all higher education]) – 7700 FTEs 2019/20 target. Court were informed that the 7700 students were not fully funded numbers, and were advised that a stretch target was still appropriate noting the following activities:</p> <ul style="list-style-type: none"> • Focus has previously been on growth in funded numbers; this will be enhanced by a new focus on non-funded student growth. • To this end, specific targets around international and distance learning were being developed under the new Vice Principal Stuart Gibb and expected by end of 2017. • The Strategic Investment Fund has been established, with a primary focus on additional income from, and growth in, student numbers. • Growth plans would be sought from Academic Council and presented to Court for additional assurance. • Further development of new curriculum is currently underway. <p>CPI6 – Non-recurrent income. Court was asked to note that the funding environment the university had previously relied upon for the greater part of its non-recurrent (mainly research) income had been significantly disrupted following Brexit. With the loss of a significant amount of European Union (EU) funding, a small percentage growth target in non-recurrent income would be agreed, with a revised target to come to Court for approval.</p> <p>CPI10 – Consolidated partnership annual surplus Court were asked to note that a 3% target turnover surplus is difficult to meet due to Office of National Statistics (ONS) restrictions for the five incorporated colleges. It was also noted that 50% turnover is Further Education (FE) funding, and a surplus is only being developed on Higher Education (HE) income. Court was advised that although no target has yet been agreed, it will need to recognise external funding challenges. The P&VC reminded members that reserves have been utilised to manage crises, that infrastructure costs are increasing and some essential items/ systems are coming to end-of-life (e.g. Virtual Learning Environment, Video-Conferencing). Court members requested that an additional key performance indicator (KPI) be included under CPI10, with actionable and reviewable hard values on efficiency savings incorporated.</p> <p>KPI10b - Philanthropic income. Court members queried why philanthropic giving to the university was so poor. The P&VC reported that this was primarily due to the vacant position of Director of Development, who, following their departure, wasn't replaced as an efficiency measure. The recruitment of a new Head of Development charged with increasing philanthropic giving was now underway. Court welcomed this, and recognised that the climate for philanthropy was tough; members requested a report from the new Head of Development on philanthropic giving once the position was filled and targets had been refreshed. Court agreed these changes to the CPIs, noting the actions above.</p>	<p>S Gibb</p> <p>DP</p> <p>P&VC</p> <p>P&VC</p> <p>Head of Development</p>
<p>5.2*</p> <p>5.2.1</p> <p>5.2.2</p>	<p>Student Residences Update Court noted the Student Residences Occupancy update paper (UC17-153a). <i>[LR declares an interest in item 5.2.2]</i></p> <p>Student Residences – Phase 3 Court members discussed the Student Residences – Phase 3 paper (UC17-153b).</p>	

	<p>The COOS reminded members that the initial ambition of the residences project was for 720 beds across the partnership. The first phase of the project in Inverness (150 beds) and Fort William (40) were delivered in summer 2016. The second phase of the project was Inverness 2 (150 beds); Elgin (40); and Dornoch (40), delivered in summer 2017. The second and future phases of the project have been slowed by investment market downturns following both the Scottish and European referenda.</p> <p>Court were asked to approve an additional 40 bed residence in Fort William ('Fort William 2') as per proposals outlined in paper 153b, noting also that a good site had been identified, that the residence could be completed for start of the 2018/9 academic year (AY) subject to planning consent being obtained, and that occupancy numbers at the existing Fort William halls was strong.</p> <p>Court approved paper UC17-153b.</p> <p>Members were also asked to note:</p> <ul style="list-style-type: none"> • Two further residences were currently planned for completion by 2019/20 AY. • Approval had been received from HMRC that residences in the project could be considered 'dwellings', allowing both VAT relief on construction and non-student occupancy to help mitigate slow uptake by students at some of the sites. • Marketing efforts for all sites were being reviewed to help boost student occupancy, with the positioning and branding review and efforts on international/ RUK students both incorporating the new residences. 	
6	GOVERNANCE	
6.1	<p>Revised HE Governance Code Update Court noted the Revised HE Governance Code update paper (UC17-154).</p>	
6.2*	<p>Effectiveness Review Update Court discussed the Effectiveness review follow up paper (UC17-155). The Chair of Court ordered that a short life working group (SLWG) conduct a consultation and review to help bridge link between Academic Partners and Court, noting that the tertiary nature of the business required work to be undertaken to look at FERB and other governance arrangements of the university. Fiona McLean, Michael Foxley, Fiona Larg and the Chair of Court took an action to compile the terms of reference and proposed membership for the SLWG.</p> <p style="text-align: right;"><i>[NS joins meeting at 15.43]</i></p>	<p>Chair, Vice-Chair, MF, COOS</p>
6.3	<p>Preparing for GDPR Court noted the Preparing for GDPR paper (UC17-156).</p>	
7	FINANCE & PERFORMANCE	
7.1* 7.1.1	<p>Academic Partner Financial Monitoring National Bargaining Court were given an update by the P&VC on the university's current activities on national bargaining (UC17-157). Members were advised that the outcome of the national bargaining agreement was expected to have a significant operational and financial impact on the university. SMT and Partnership Council have therefore agreed the following activities pending Court approval:</p> <ol style="list-style-type: none"> 1. To investigate the possibility of developing a single UHI employment contract and terms and conditions recognising both FE and HE contributions. The Institute of Employment Studies will be tasked with developing options around a potential single, shared contract, as well as legal advice on further structural changes (for 	

7.1.2	<p>instance, removal/ relaxation of ONS limitations, which would allow greater flexibility in both contractual matters and general operations).</p> <ol style="list-style-type: none"> 2. Further savings, structural efficiencies, and greater harmonisation (e.g. shared services) would be urgently sought. 3. The development of a political lobbying campaign that would seek additional support for the university based on the uniqueness of the university and the impact of national bargaining in comparison with the rest of the sector, emphasising in particular the remoteness and rurality of both its students and operational base; the tertiary nature of the organisation; and the challenges faced following European funding withdrawal. <p>Court approved these activities. The Chair of Court and the P&VC took an action to discuss these workstreams with each AP Chair/ Principal to fast-track the work, with a special focus on contracts and terms and conditions given the urgency of this task and necessity for partnership-wide agreement.</p> <p>Public Audit Committee Follow Up</p> <p>Court members were advised that the Public Audit Committee (PAC) is expecting a further response from the university following the P&VC, COOS, and others' recent appearance before the committee, and that work was underway on developing a robust response to the request (paper UC17-158). Court were also asked to note that PAC observed that the university's governance arrangements and structure were 'complex'.</p>	Chair/ P&VC
7.2*	<p>Finance Systems Convergence Project Update</p> <p>The COOS provided Court with an update on the Finance Systems Convergence Project update (paper UC17-159). She reported several developments with the project since the last Court update; with progress gained in the last two weeks.</p> <ul style="list-style-type: none"> • Engaging an independent expert to consider deliverability would require several weeks of work and not provide value for money, and therefore was not recommended. • A letter from the university's lawyers had been issued to TechnologyOne, resulting in a detailed recovery plan received and agreed with the Vice-President of TechnologyOne. • Commercial mediation is ongoing with COOS actively involved and monitoring progress against milestones and key completion dates provided by the contractor, and both the usability and deliverability of the system are under review by the university. • A high level GANNT chart of deliverables will be updated and circulated to the Chair of Court and Chair of FGPC for further reassurance until the next FGPC meeting. 	COOS
7.3*	<p>NSS Report 2017</p> <p>The P&VC and DP gave Court members an update on the National Student Survey (NSS) results (paper UC17-160), noting the fall in performance.</p> <p>The P&VC noted that targets were not hit this year despite good response rates. Following an internal review of the results, Court were asked to note the following points:</p> <ul style="list-style-type: none"> • Congratulations were in order for audio engineering, music, business, and marine science programmes, which all scored 100%. • Small sample sizes for some courses added volatility to scores. • Scores falling under 'teaching' were high or above average. • Score falling broadly under 'organisation and management' are structural issues, and therefore relatively fixable. • The monitored action plans put in place every year will be continued for 2017/8, but include a lower score activation threshold. 	

	<ul style="list-style-type: none"> Partnership Council agreed that the NSS CPI should remain at 2% above the Scottish average. Maintaining and reinforcing high scoring areas will also be prioritised to avoid slippages. NSS will be incorporated into annual quality plans. Programme teams' access to detailed NSS metrics will be monitored. Programme leaders' attendance at university NSS forum(s) will be mandatory. <p>Court approved these actions and requested a reporting system be developed to allow Court assurance on improvement plans and clarity on progress throughout the year.</p>	DP
7.4*	PGT Student Satisfaction Survey	
7.4.1	The DP advised Court members that the response to the Postgraduate Taught Student survey (paper UC17-161) would be broadly similar to that in NSS (item 7.3), with action plans for programmes below thresholds. Court were asked to note that similar themes were evident in the PGT survey as the NSS survey, although response rates were lower. The DP also identified the importance for students to understand the mode of attendance during the application stage as a priority area.	
7.4.2	The VP-R reported the satisfaction scores from the Postgraduate Research Student survey (PRES), with overall satisfaction at 89% (sectoral average 82%); up from 78% in 2015, with a 64% response rate.	
7.5	External Audit Plan Court noted the External Audit Plan paper (UC17-162).	
8	ACADEMIC BUSINESS	
8.1*	SFC Annual Quality Report Court approved the SFC Annual Quality Report paper (UC17-163), and members recorded their thanks to the report author(s), praising the value of the document in aiding committee members' understanding of the university's quality strategy.	
8.2*	ELIR – One year follow up report Court approved the ELIR Follow up report paper (UC17-164).	
9	RISK MANAGEMENT	
9.1*	<p>Court discussed the Risk Policy and Appetite Statements paper (UC17-165). The COOS reported that the university continues to make significant improvements in managing and identifying risks, with 12 common risks now identified and monitored across the partnership. Court members commended the improvements in risk monitoring made by the Head of Governance (HoG).</p> <p style="text-align: right;"><i>[JM leaves meeting at 16.33]</i></p> <ul style="list-style-type: none"> Court members requested that the risk appetite statements use the mandatory 'will', rather than the discretionary 'should', when defining the university's risk approach. The Chair of Audit Committee requested greater reassurance that actions were being taken on all identified risks, noted the relative paucity of data on mitigating actions taken, and asked for updates on actions taken against enduring risks. Court agreed that a risk workshop would be scheduled once all new members were appointed. 	HoG
9.2	Corporate Risk Register Court noted the Corporate Risk Register paper (UC17-166).	
10	REPORTS & CIRCULARS	
10.1*	HISA Report	

	<p>The Chair of Court reiterated his earlier welcome to the incoming President and Vice-President (Further Education) of the Highlands and Islands Student Association (HISA), and invited the President to make some remarks on the status of HISA and the HISA report (paper UC17-167).</p> <p>The President thanked the Chair for the welcome and she reported:</p> <ul style="list-style-type: none"> • The formerly independent Perth and Inverness students' associations have both joined HISA, doubling the size of the association. • HISA are approaching the end of their current strategic plan and work is ongoing on developing the new strategic plan. • Mental health support is high on HISA's agenda, as well as earlier and better information from students on issues they are facing (in light of the NSS results). <p>The Chair of Court congratulated HISA and the executive team for the achievements and growth of HISA, and expressed his desire to hear from students at both future Court meetings and other opportunities. Court members noted that they would be keen to engage with students at HISA-led meetings and fora wherever possible.</p>	
10.2	<p>Red Button Court noted the Red Button paper (UC17-168).</p>	
10.3	<p>Foundation Court noted the Foundation report.</p>	
11	<p>There was no other business and the Chair closed the meeting at 16.42. DATE OF NEXT MEETING: 29th November 2017</p>	