

University of the Highlands and Islands

University Court

28 November 2018, 14:00 to 16:00

EO1-EO2 Ness Walk (VC dial in code: 79687)



Present

Garry Coutts (Chair) , Clive Mulholland (Principal & Vice Chancellor) , Willie Printie (Chair Audit Committee) , Crichton Lang (Deputy Principal) , Alan Simpson (President HISA) , Rosemary McCormack , Anton Edwards (Rector - Chair of Foundation) , Andrea Robertson , Andrew Rogers (Chair FGPC) , Neil Stewart , Alistair Dodds , David Sandison , Heidi May , Kirsty Macpherson , Linda Kirkland , Poonam Malik , Sarah Helps , Fiona McLean , Gareth Davies , Michael Foxley (Chair FERB) , Fiona Larg (Chief Operating Officer & Secretary - in attendance) , Diane Rawlinson (Vice Principal FE - in attendance) , Neil Simco (Vice Principal Research & Impact - in attendance) , Jeff Howarth (Vice Principal Enterprise - in attendance) , Roger Sendall (Head of Governance & Records Management - in attendance)

Meeting minutes

1. WELCOME

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

[Court Agenda 28 November 2018.pdf](#)

1.1. *Apologies

Apologies were received from Roddy Burns and Lydia Rohmer.

1.1.1. * Research Briefing

Court received a presentation from the Vice Principal Research and Impact in relation to the University's existing capacity and strengths in relation to research and knowledge exchange activity and impact, key developments and challenges and the external environment. A copy of the presentation slides are appended to this minute.

[Research Presentation 28112018.pdf](#)

1.2. * Declarations of Interest

None.

1.3. * Notification of other business

1.3.1. Retirement of the Principal & Vice-Chancellor

Professor Mulholland advised Court that he had decided to retire at the end of the current academic year (wef 31st July 2019).

The Chair thanked the Principal for providing Court with early notice of his intention to retire and advised that he would establish a search committee in due course.

1.3.2. Retirement of Vice Principal Enterprise

Court noted that Dr Howarth would retire at the end of the year and that this would be his final Court meeting. Court thanked Dr Howarth for his significant contribution to establishing and developing the capacity of the university in the Highlands and Islands through successful engagement with external funders and wished him a long and happy retirement.

Presentation

1.3.3. Micro Campus

Discussion recorded at item 10 below.

1.4. * Starring

Noted.

2. MINUTES OF MEETINGS

2.1. * Approval of the minutes of: 19 September 2018

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

[UC18-261 2018-09-28_16-51-00-MeetingMinutes.pdf](#)

2.2. * Matters Arising

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

[UC18-262 Matters Arising.pdf](#)

2.3. * Review of Delegated Decisions

None.

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

The Chair invited the chairs of committees of court to each provide a brief report in connection with their most recent committee meetings.

2.4.1. * Finance & General Purposes Committee

The Chair of FGPC reported on a joint meeting with the Audit committee and the University's external auditors to review the University's draft financial statements and accounts for the year ended 31st July 2018. It was noted that the external auditors were content with the accounts and that the audit had progressed smoothly and with good engagement throughout.

It was noted that the committees discussion had also focused on key risks and challenges associated with under occupancy of student residences including affordability, some better progress with the finance systems convergence project and the potential purchase of the Centre for Health Science building at Raigmore and ongoing negotiations with Highlands and Islands Enterprise Ltd. Court noted that a business case and recommendation in relation to the purchase of the building would be presented to Court for consideration in due course.

Court also noted that a meeting of UHI and academic partner finance committee chairs was scheduled for 11th December 2018.

[UC18 263a 2018-11-22_17-11-24-MeetingMinutes.pdf](#)

2.4.2. * Audit Committee

Court noted the minutes of the joint meeting with FGPC held on 19th November 2018. The Chair of Audit highlighted one concern in relation to a failure of two assigned colleges to provide the University as the RSB with copies of audit reports in advance of their submission to the Scottish Funding Council. He noted that whilst the situation had improved significantly in recent years that there were still some instances where this important point of principle was not routinely applied.

[UC-18-263b Audit 2018-11-21_12-17-19-MeetingMinutes.pdf](#)

2.4.3. FE Regional Board

Court noted the minutes of the meeting held in September. The Chair of FERB advised that the committee had also met on 21st November, however, minutes were currently not available for that meeting. These would be made available via admin control in due course.

The Chair of FERB highlighted the following items as being the main subjects of discussion at the most recent meeting: Progression of a regional approach to assist Lews Castle College to develop new curriculum, progress with the Shetland College/NAFC tertiary review, consistent policy frameworks, and STEM hub activities.

The Chair of FERB also advised Court that the Scottish Funding Council had appointed a new Chief Officer who would replace John Kemp in due course. Court formally recorded its appreciation for the support and assistance provided to the University and the region by Mr Kemp over many years.

[FERB 45 20180912 FERB Minutes.pdf](#)

2.4.4. * Academic Council/Activity Report

Court noted the appended activity report.

[UC18-263d Academic Council Officers Report 11 Sept18.pdf](#)

2.4.5. * UHI Foundation

Court noted the minutes of the Foundation business meeting held on 15th November and discussed an accompanying note provided by the Rector in relation to the future development of a new University mission and vision.

Court welcomed the timely submission by Foundation in relation to the need to develop a new five year strategic plan in 2019 and also supported the concept of widening the scope of a new vision statement to capture and better articulate the University's impact on society as a place for scholarly activity, freedom of thought and expression.

Court also noted that the annual Foundation conference had been opened up to the general public in accordance with section 43 of the Higher Education Code of good governance in relation to annual stakeholder meetings. It was noted that future conferences would also be open to the public and that this would help to ensure compliance with the code.

[UHI Foundation - Rector s note re UHI Mission 001 \(003\).pdf](#)

[UC18-263e 2018-11-23_14-18-31-MeetingMinutes.pdf](#)

2.4.6. * Nominations Committee

Court noted the minutes of the Nominations Committee meeting held on 17th October 2018 including the appointments of new committee members.

[UC18-263f Nominations Committee-MeetingMinutes.pdf](#)

2.4.7. Remuneration Committee

Court noted the minutes of the meeting held on 19th September 2018.

[UC18-263g Rem comm minutes190918.pdf](#)

3. *CHAIRMAN/PRINCIPAL'S COMMENTS

3.1. *University Assembly

3.1.1. Proceedings from 26th September

Court noted the proceedings of the partnership assembly event held at Eden Court on 26th September 2018.

[UC18-264 Assembly 26092018.pdf](#)

3.1.2. Assembly Programme Board minute of 12th November

Court noted the draft minutes of the first programme board meeting.

Court noted that the board's aim was to consult widely with staff, students and stakeholders and to develop evidence based recommendations that would enhance the partnership for staff and students and which would lead to a sustainable partnership model. It was also hoped that the board would be able to identify a broad consensus of support in relation to proposed recommendations for change that would provide a compelling case for decision makers including the Court and academic partner boards.

Court noted the importance of early engagement and dialogue with key external stakeholders including the Scottish Funding Council and Government as primary supporters and funders of the partnership.

 UC18-265 Draft APB Minute 20181112.pdf

3.2. Quarterly Status Report

Court noted the quarterly status reports for the three month period to 30th November 2018.

 UC18-266 SMT and AP quarterly report.pdf

4. COMMITTEES & MEMBERSHIP

4.1. *Remuneration Committee updated TOR

Fiona Larg

Court considered the updated terms of reference document and requested some minor amendments to refer to processes of engagement with students and staff and to include provision for the committee to consider remuneration of independent court members where appropriate.

 UC18-267 Revised Remuneration Committee Terms of Reference 211118.pdf

4.2. Governance Structures & Role of RSB

Garry Coutts

The Chair advised that the short life working group established by Court in September 2018 had met on two occasions to discuss the possible evolution of FERB into a more consultative tertiary forum with representation from all academic partner boards of management. It was noted that further discussion was needed to consider the potential impact of proposed changes on other areas of partnership business before the group was ready to report to Court. The minutes of the groups meetings and further information would be provided in due course.

5. STRATEGY & PLANNING

5.1. Student Residences Occupancy update

Roger Sendall

Court discussed a paper prepared by the Head of Governance and Records Management providing an update on current occupancy rates within University halls of residence and work that was being progressed through the Finance and General Purposes Committee to review and assess the affordability of the residences in relation to local market alternatives on the basis that the level of rent was perceived by some as a contributory factor to current under occupancy. This was in a effort to identify whether or not there would be a financial benefit in discounting or varying rents at some sites in order to achieve greater student occupancy and to increase income over all. It was noted that FGPC had requested some additional information before setting the rents for AY2019/20 and that this would be considered by the committee on 17th January 2019.

Court was concerned that long term under occupancy of the residences represented a substantial financial risk for the University because the University was contractually obliged to pay rent on any vacant rooms. Indeed, the financial projections provided highlighted a potential deficit of £250k even at 100% student occupancy. However, it was noted that these projections illustrated the worst case scenario with just £140k provision for income from summer lettings and prudent estimates for utility costs and bad debts. Indeed if the University were able to achieve near maximum student occupancy then it was considered likely that the position would be break even.

It was noted that a number of new members of Court may be unaware of the background and history to the development of residences by the University and it was agreed to provide members with a briefing document to explain the context of the current issues.

Court accepted that the primary reason for under occupancy of residences was due to the current curriculum offer and more needed to be done to develop and market programmes and courses that would appeal to and attract increased numbers of out of area students.

 UC18-269 Student Residences Update.pdf

6. GOVERNANCE AND RISK

6.1. * Annual Assurance from the Audit Committee

The Chair of the Audit Committee presented the Annual Report of the Audit Committee and the UHI Internal Audit Report.

6.1.1. Statement of Internal Control

Court noted and accepted the statement of internal control signed by the Principal and Vice-Chancellor.

[UC18-270 Internal Control Statement 2017-18.pdf](#)

6.1.2. Annual Audit Committee report 2017-18 (including Annual Internal Audit report 2017-18)

Court was pleased to note the high quality and standard of internal audit assurance provided throughout the year and the added value that the service provided to colleagues across the University's operations.

[UC18-271 Audit Committee Annual Report 2017-18.pdf](#)

6.2. *2018/19 Annual Internal Audit Plan

Court approved the Internal Audit Plan for 2018/19.

[UC18-272 Draft Internal Audit Plan 2018-19.pdf](#)

6.3. Annual Monitoring reports

Court noted the annual monitoring report.

[UC18-273 Annual Monitoring Report.pdf](#)

[2018 2019 Shared data monitoring.pdf](#)

6.4. Risk Management - Corporate Risk Register

Court reviewed and noted the risk management report provided by the Head of Governance and Records Management.

[UC18-274 Risk Management.pdf](#)

6.5. *University Remuneration policy

Court approved the amended remuneration policy which had been updated to reflect new obligations imposed by the Scottish Code of Good HE Governance 2017.

[UC18-276 Remuneration Policy.pdf](#)

6.5.1. Update on Bonus provision in University sector

Court noted a paper provided by the Chief Operating Officer and University Secretary providing an update on provisions for making bonus payments within the University sector and by public bodies. It was noted that the paper would be discussed by the Remuneration Committee at its next meeting and that the COOS would seek to provide some sector data to evidence existing practice.

[UC18-276a bonus update 1118.pdf](#)

6.6. Islands (Scotland) Act 2018

Court noted a paper provided by the Chief Operating Officer and University Secretary providing a summary of provisions pertaining to the university as a regional strategic body in relation to the above Act.

[UC18-277 Islands Scotland Act.pdf](#)

Fiona Larg

7. FINANCE AND PERFORMANCE

7.1. *UHI Statutory Accounts 2017-18 (including supporting paper for review)

Court approved the UHI Report and Financial Statements for the year ended 31st July 2018. Court noted that there were no material uncertainties that may cast significant doubt about the company's ability to continue as a going concern and that the external auditors had issued an unqualified report.

It was noted that the draft accounts had been considered by the Audit Committee and Finance and General Purposes Committee at a joint meeting on 19th November 2018 and that committee members had unanimously agreed to recommend Court to approve the accounts for the year ended 31st July 2018.

It was noted that the Audit Committee had requested that some additional narrative be included within next years financial statements to provide readers with a general overview and assessment/commentary in relation to the

University's performance so as to enhance the value of the document for readers.

[UC18-278 2017-18 Accounts Summary paper.pdf](#)

7.2. *Representation letter 2017-18

Court considered the draft Letter of Representation and authorised that it should be executed by the Chair for the auditors in connection with the financial statements for the year ended 31st July 2018.

[UC18-279 2018 UHI Letter of representation.pdf](#)

7.3. Management letter/Audit results

Court noted the paper comprising a letter from the external auditors summarising the 2017/18 audit results.

[UC18-280 E. Y. - 18UHI Audit Results Report final\(002\).pdf](#)

7.4. *UHI Research & Enterprise Statutory Accounts 2017-18

Court noted that the above statutory accounts for the year ended 31st July 2018.

[UC18-281 UHI Research and Enterprise Limited 2017-18 - final draft.pdf](#)

7.5. 2018-19 Q1 Management Accounts

Court noted the management accounts for the three months ended 31st October 2018.

[UC18-282 18-19 Q1 Management Accounts.pdf](#)

7.6. *2018-19 Q1 Re-forecast

Court approved the quarter one re-forecast as recommended by FGPC

[UC18-283 Q1 18-19 Reforecast FINAL.pdf](#)

7.7. Forecast of 2018-19 HE and FE student activity target

Court noted a paper provided by the Director of Corporate Resources providing a summary report of HE and FE student numbers for 2018/19.

[UC18-284 Forecast of 2018-19 HE and FE Student Activity.pdf](#)

7.8. Finance Systems Convergence Project update

Court noted an update paper on the Finance System Convergence Project. Court noted that some good progress had been achieved recently and that the project was moving forward again with a target go live date of 1st August 2019.

[UC18-285 - Fin Syst Converg update-Nov 2018.pdf](#)

7.9. *Academic Partner/University Financial Monitoring (FFRs)

Court discussed two papers provided by the Director of Corporate Resources incorporating the 2018 Financial Forecast Returns for the University and academic partners for five years up to 2022/23, a summary of key risks and cash flows.

Court highlighted significant concerns with the forecast deficit positions throughout the partnership and requested assurance and action from management to ensure that appropriate and coordinated mitigating actions would be taken through Partnership Council to avoid deficits and to ensure that the university remained financially stable.

Court was particularly interested in receiving assurances from management that actions to reduce costs across the partnership would be progressed on a collective basis and that appropriate consideration was given to the potential impact of any decisions to reduce costs or cut services on regional offerings, the student experience and partners.

The Principal advised that this matter would be progressed via Partnership Council and the Finance Directors Practitioners Group with updates to FGPC and Court in due course.

[UC18-286 AP FFR 2018 summary report, and AP Financial Monitoring.pdf](#)

7.10. Critical/Key Performance Indicators

Court noted a report provided by the Head of Marketing and Planning providing a summary of performance against agreed critical performance indicators and associated key performance indicators.

Clive Mulholland

8. ACADEMIC BUSINESS

8.1. * Research Integrity Concordat

Neil Simco

Court noted a paper provided by the Vice Principal Research and Impact providing an annual statement on research integrity for the University as required by the UK Research Integrity Concordat. It was noted that an appropriate compliance statement would be published on the University's website.

UC18-288 Research Integrity Concordat.pdf

9. REPORTS & CIRCULARS

9.1. HISA Report

Court noted a report on activities provided by the President of HISA.

UC18-289 HISA Court Update Nov 18.pdf

9.2. Red Button

Court noted the red button annual report for AY2017/18.

UC18-290 Red Button Annual Report 2017-18.pdf

9.3. UHI Health & Safety Report

Court noted the UHI annual health and safety report for AY2017/18.

Court highlighted some significant variations between the numbers of incidents reported at each partner and it was noted that work was progressing to ensure a consistent methodology was applied by each partner.

UC18-291 - UHI H & S report 17-18.pdf

10. Other Business

10.1. Micro Campus

Whereas Court was pleased to note the initiative to create a micro campus in China and the positive media associated with the development, Court members were disappointed at not being sighted on the project before reading about it in the press.

The Principal apologised for this oversight and explained that the development had been through various committees including academic and partnership council and had been progressed as core business in accordance with the university's international strategy. It had not required any additional resource and so was not a project that required Court or FGPC approval and on this basis had not been included on the agenda for these meetings, however, it was an initiative that had attracted a lot of publicity and that had reputational significance and on this basis Court should have been alerted in advance.

The Principal advised that he would ask the Vice Principal International and External Engagement to provide Court with a presentation in relation to progress with the international strategy at the next meeting of Court.

11. DATE OF NEXT COURT MEETING: 20 March 2019

The meeting closed at 16:30.