

**MINUTES OF THE COURT MEETING (UC)
UNIVERSITY OF THE HIGHLANDS AND ISLANDS
HELD ON WEDNESDAY 15 JUNE 2016 AT 14:00 HRS
IN ROOM 103, PERTH COLLEGE UHI, BRAHAN BUILDING, PERTH**

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 -VC
Eileen Mackay
Andy Rogers
Angus Ross
Anton Edwards
Dr David Worthington - VC
Luke Humberstone
Peter Campbell - VC
Professor Kenneth Miller
James MacDonald

IN ATTENDANCE: Fiona Larg (Chief Operating Officer & Secretary(COOS))
Dr Jeff Howarth (Vice Principal Enterprise)
Professor Ian Bryden (Vice Principal Research & Specialist)
Mike Devenney – VC (Vice Principal Further Education)
Crichton Lang (Deputy Principal)
Roger Sendall (Corporate Governance Manager)
Marlene Wood – Independent Chair of SWG (in part)

APOLOGIES: Iseabail Mactaggart
Dr David Alston
Willie Printie
Malcolm Burr

ITEM	ACTION
1 INTRODUCTION	
1.1 Welcome and Quorum.	
<p>It was noted that a quorum was present.</p> <p>The Chair thanked Perth College for hosting the meeting and for providing Court members with an interesting and stimulating morning session.</p> <p>The Chair welcomed Marlene Wood Independent Chair of the Strategy Working Group.</p>	
1.2 Declarations of Interest:	
None.	
1.3 Notification of any other Business.	COOS/DP
<p>Student Contract – Court approved a proposal to implement a student terms and conditions document for all HE students and applicants enrolling from 2016-17 onwards and to authorise the Deputy Principal and Chief Operating Officer & Secretary to sign off the final document without further reference to Court.</p> <p>Vice Principal Further Education – It was noted that Mike Devenney had announced his retirement at the end of July 2016. The Court thanked Mr Devenney for his outstanding contribution to delivering tertiary education throughout the region over many years as the former Principal of Moray College and as the VPFE.</p>	
1.4 Starring.	
<p>The following items were starred for discussion:</p> <ul style="list-style-type: none"> • 3.3 Minutes from Committees • 5.1 Honorary Awards Criteria • 9.1 Athena Swan • 11.2 Foundation Report 	
2 STRATEGY WORKING GROUP PROGRESS REPORT	
<p>Court received a verbal update report from the Chair of the University's Strategy Working Group. The following key points were noted:</p> <ul style="list-style-type: none"> • The SWG had been established by Court as an action following a strategic event held in October 2015 attended by Court members, Academic Partner Chairs and Principals with the aim to look at options which would better equip the university partnership to address the challenging times ahead in the context of increasing financial challenges. • It was originally planned that the SWG would be in a position to present final findings to the June Court meeting, however, this had not been possible due to the 	

complexity of the issues involved and because there were some fundamental differences of opinion within the partnership that would need to be overcome if an implementable solution was to be identified. The group was continuing to work towards this aim and a further report would be presented to the next meeting of Court, however, it was noted that there were no guarantees that a solution would be identified within this timeframe.

- The Chair of the SWG reminded members of the groups remit this being; to analyse the current collective financial position of the partnership; to analyse the prospects of funding from public sources for the next five years and identify other external threats in the further and higher education environment; to identify opportunities to alleviate the financial situation; to identify and analyse options to adjust the operating model to optimise achievement of strategic objectives as per the university strategy for 2015-20 (building on the conclusions of the Capita report (2012) and other options discussed at the two strategy days in May and October 2015) and to agree a strategy to achieve buy in from academic partners to an agreed solution.
- The Chair of SWG advised that a solution had been identified with the potential to address financial sustainability challenges by restructuring the partnership to operate under a single UHI umbrella/institution, however, this solution was unpalatable to academic partner principals who had all aligned behind a different proposal to create a new Collegiate Executive Council that would formally integrate them within the executive leadership and operational management team of the University (replacing SMT) whilst also remaining as independent institutions. This proposal was regarded as impractical by the Principal & Vice Chancellor and by the current SMT due to a lack of accountability since the AP Principals are not employees of the University and also because it would not remove the burden of ONS requirements on the incorporated colleges or address issues of VAT leakage.
- Academic Partners have expressed concerns that they feel increasingly remote from the University Court as the primary decision making body for the partnership. The introduction of the Post 16 Education Act has fundamentally altered the relationship between the University and the partner colleges and there is a need to address these concerns and to develop closer linkages and opportunities for Court members to interact with AP Board members to build relationships and to develop trust and confidence through identifying common goals.
- It was commented that the University has had significant success through collegiate working evidenced by the attainment of University title, successful ELIR outcomes, good REF performance and rDAP. The partnership was already operating within a complex model before the enactment of the Post 16 Act and the reclassification of incorporated colleges as public bodies and these changes have created an increasingly complex operating environment that is bound to create tensions and which has weakened the autonomy of the University. It was suggested that there was a need to simplify the operating model including addressing the anomaly whereby teaching and lecturing staff are not employed by the institution that confers the awards.
- It was noted that the SWG's next meeting was scheduled to take place on 20th June and that efforts would be made at that meeting to identify common ground. It was agreed that Court members should meet with the Chair of SWG in July or August to explore the issues identified by SWG with a view to identifying appropriate next steps.

3 MINUTES OF MEETINGS

3.1 Approval of Court Minutes

Exit M Wood

The Court resolved to approve the minutes of the meetings held on 23rd March and 27th May 2016 (UC16-023 & UC16-024).

3.2 Matters Arising

The Court noted the Matters Arising paper UC16-025.

COOS

It was noted that Court would receive a presentation on student recruitment, student number planning and schools liaison initiatives at its next meeting. It was noted that Court was particularly interested to review how much the student population had grown over the past 5-7 year period and within which sectors and subjects.

3.3 Minutes from Committees of Court

The Court reviewed the minutes of the following committee meetings:

- UC16-026a and b – Finance and General Purposes Committee meetings of 25th May and 9th June 2016.
- UC16-027- Audit Committee 8th June 2016
- UC16-028 – Further Education Regional Board 12th May 2016
- UC16-029 – Academic Council 15 March 2016.
- UC16-030 – UHI Foundation 18th May 2016

The following points were highlighted:

- NAFC and Shetland College were progressing plans for greater integration of their governance arrangements and service delivery including most recently through the appointment of Willie Shannon as interim joint Principal.
- The Chair of FERB had written to the SFC and Scottish Government officials to seek additional rurality and remoteness funding for the region of around £1.3M
- The Audit Committee had agreed to request the University's Nominations Committee to seek applications for two new committee members.
- The Audit Committee had highlighted possible risks associated with the possible exit of the United Kingdom from the European Union including loss of access to EU funding streams, mobility of students and increased EU Audit activity. The committee had recommended that the 'likelihood' element of risk scores might merit review and noted that the impact on UHI in event of Brexit was likely to be severe. It was noted that the University's Risk Group had been informed accordingly.
- The Audit Committee had expressed concern regarding a long outstanding high priority management action in relation to data management and information security and had challenged an extended implementation deadline of December 2016. The committee had been advised that this was to accommodate agreement by AP Boards of Management. The Audit Committee considered that if the residual risk was great enough to merit retaining its High rating then ways should be found of expediting implementation of the action such as by AP chairs' action.

The COOS advised that she had raised this issue with the Director of LIS and it was now understood that the three most important actions would be implemented before the end of July 2016 and efforts were being progressed with APs to progress the final actions by Chairs' action as suggested.

4 CHAIRMAN/PRINCIPALS COMMENTS

- The Principal reported that the University's participation/response rate in the National Student Survey had increased. This was the University's highest response rate to date and was 11% above the national average. Results from the survey would be published at the end of July.
- It was noted that the QAA Board was expected to recommend approval of the University's rDAP submission by the Privy Council at a meeting held today.
- The University had received an excellent draft ELIR report which had highlighted and commended the partnerships effective partnership model.

5 COMMITTEES & MEMBERSHIP

5.1 Updated Honorary Awards Criteria

The Court approved the updated criteria for honorary awards subject to minor amendment. It was noted that the wording would be amended to clarify that recommendations for individuals to receive nominations for awards would be invited from all members of the University community.

Court noted that some individuals had expressed confusion between Honorary awards and Academic titles and it was agreed to publish some guidance on the website to clarify the difference between such awards.

6 STRATEGY & PLANNING

6.1 Residences Update

Court noted paper UC16-032 and agreed to convene a special meeting of Court to consider the phase two residences project proposals at short notice if necessary.

7 GOVERNANCE

7.1 Academic Partner Board Appointments/Appraisals

Court noted that University staff were working with partner staff to develop a core template of information to assist the assigned colleges with the recruitment and appointment of independent board members within a consistent and robust framework.

It was agreed that independent Court members be permitted to participate in interview panels to relieve the burden on independent members of FERB and to increase flexibility in terms of panel member availability for partner staff seeking to populate panels. It was hoped that this arrangement would also provide a useful link between Court and AP BOMs.

7.1.1 Moray College Appointments

Court approved the recommended appointments to the Moray College UHI Board of management as set out within paper UC16-033.

7.2 Colleges Scotland Induction Training

Court noted paper UC16-034 in relation to the National College Sector Induction Programme.

7.3 Criminal Convictions Policy

Court approved paper UC16-036 comprising a new policy statement in relation to ensuring that applicants and students declaring a criminal conviction are treated fairly and transparently.

It was noted that partnership staff were working together to develop and implement necessary supporting procedures.

7.4 Revised Delegated Authority Schedule

Court approved paper UC16-037.

7.5 Finance Systems Convergence Project – Update

Court noted paper UC16-038.

7.6 HE Governance Act

Court noted paper UC16-039.

7.7 Review of HE Governance Code

Court noted paper UC16-040.

7.8 Review of FE Governance Code

Court noted paper UC16-041.

7.9 Equality and Diversity Charter

Court approved the updated Equality and Diversity Charter UC16-042.

8 FINANCE & PLANNING

8.1 Performance Dashboards for Academic Partners

Court noted paper UC16-043.

8.2 Q3 Reforecast/Management Accounts

Court approved the 2015/16 Quarter 3 Reforecast (UC16-044a) as recommended by FGPC and noted the Management Accounts for the period ended 30th April 2016 (UC16-044b).

8.3 2016/17 University Budget

Following due consideration Court agreed to accept the recommendation of FGPC and to approve the budget as presented within paper UC16-045.

During discussion the following points were highlighted:

- It was noted that Court was keen to receive regular updates via FGPC in relation to the effectiveness of strategic investment funding and the ability of management teams to deliver self-sustaining programmes once strategic grant funding streams were withdrawn or no longer available.

8.4 Internal Audit Process Communications Strategy

Court noted paper UC16-046 comprising a model for improving communication of the UHI Internal Audit process and activities within the partnership as approved by the Audit Committee on 8th June 2016.

8.5 2015/16 Funded Student Number Update and recruitment forecast for 2015/17

Court noted paper UC16-047.

8.6 Schools liaison and recruitment

Court noted paper UC16-048.

9 ACADEMIC BUSINESS

9.1 Athena Swan

Court was pleased to note the content of paper UC16-049 and regarded the potential attainment of Athena Swan accreditation as a significant step forward in the continuing maturity of the University and delivery of the mission.

10 RISK MANAGEMENT

10.1 Corporate Risk Register

Court noted paper UC16-050.

11 REPORTS & CIRCULARS

11.1 HISA Report

Court noted paper UC16-051.

11.2 Foundation Report

Court received a verbal report from the Rector.

The following points were noted:

- The Rector reported on a successful Foundation Conference held at SMO in April and highlighted the value and importance of building a diverse and unified partnership that was recognised by Foundation members.
- Foundation had agreed that the Rector should ask Court for permission to invite each Academic Partner Board Chair to nominate or make available up to two members of their boards to attend future Foundation meetings.

Following due consideration Court agreed that the Rector should invite one ordinary independent board member from each academic partner to attend Foundation meetings with a caveat that there was also a need to ensure an appropriate gender balance.

12 DATE OF NEXT MEETING

14th September 2016

RESERVED BUSINESS

13. Update on Academic Partners Financial Position

Court noted paper UC16-053 providing an update on financial challenges currently being experienced within three academic partners. It was noted that the University management team was currently working with these partners to identify short and medium term measures to alleviate the identified issues and to develop appropriate recovery plans to enhance financial sustainability.