

UNIVERSITY COURT OF ST ANDREWS

AT ST ANDREWS on the 14th day of OCTOBER 2016 AT A MEETING OF THE COURT OF THE UNIVERSITY OF ST ANDREWS

Present: Ms Catherine Stihler, *Rector (President)*; Dame Anne Pringle, *Senior Governor*; Professor Sally Mapstone, *Principal*; Professor Garry Taylor, *Deputy Principal & Master of the United College*; Mr Adrian Greer, *Chancellor's Assessor*; Ms Charlotte Andrew, *President, Students' Association*; Mr Jack Carr, *Director of Representation, Students' Association*; Mr Dylan Bruce, *Rector's Assessor*; Mr Nigel Christie and Mr Kenneth Cochran, *General Council Assessors*; Professor Frances Andrews, Dr Chris Hooley, Professor James Naismith and Dr Philip Roscoe, *Senate Assessors*; Mr David Stutchfield, *Non-Academic Staff Assessor*; Councillor Bryan Poole, *Provost of Fife's Assessor*; Mr Timothy Allan, Ms Pamela Chesters, Mr Ken Dalton, Professor Stuart Monro, Mr Nigel Morecroft, Dr Mary Pople and Professor Sir David Wallace, *Non-Executive Members*.

In attendance: Professor Verity Brown, *Vice-Principal (Enterprise & Engagement)*; Mr Alastair Merrill, *Vice-Principal (Governance & Planning)*; Professor Lorna Milne, *Vice-Principal (Proctor)*; Dr Anne Mullen, *Vice-Principal (International)*; Mr Derek Watson, *Quaestor & Factor*; Professor Derek Woollins, *Vice-Principal (Research)*; Mr Andy Goor, *Finance Director*; Dr Gillian MacIntosh, *Executive Officer to the University Court*.

I. SESSION ON BREXIT

Prior to the formal Court meeting, members held a strategic discussion session to discuss the potential implications of Brexit on the University and the UK HE sector in general (report on file, Court 16/22).

II. OPENING BUSINESS

1. WELCOME

The Rector welcomed Professor Sally Mapstone, Mr Adrian Greer, Ms Pamela Chesters, Mr Dylan Bruce, Ms Charlotte Andrew and Mr Jack Carr, who were each attending their first formal meeting of Court as a new members.

2. MEETING MINUTES

Minute of the Court Meeting held on 17 June 2016

The minute of the previous meeting (on file) was agreed as a correct record.

3. COURT MEMBERSHIP, 2016-17

Members noted the Court membership list (on file, Court 16/01) for the forthcoming academic year.

4. REPORT FROM THE PRINCIPAL

Professor Mapstone expanded on her written Court report (on file, Court 16/02), highlighting that the University had recently retained its position of 3rd in the UK (behind Oxbridge) in the *Times Higher Education* 'Table of Tables', which consolidates the results of the three main domestic rankings of UK universities. St Andrews' winning performance at the recent men's Varsity rugby match against the University of Edinburgh was also highlighted in discussion of the Principal's report, and Court congratulated Professor John Hudson on his recent election as a Fellow of the British Academy, bestowing upon him in recognition the award of a Wardlaw professorship.

Discussing the recent Athena SWAN application for renewal of the Bronze-level institutional award, the Principal reported that the University's submission had been unsuccessful, although a year's grace had been given to allow for a re-application. Whilst the full commentary on the University's submission is to be fully analysed, and contained much encouragement, it was clear that retention of the award required ongoing improvement and demonstrable progress towards enhancing equality and diversity, to indicate that procedural or cultural enhancement had practical effect. It was noted that failure to retain the benchmark of Athena SWAN accreditation might limit academics' ability to access certain research council funding in a number of disciplines, since accreditation was a requirement for the progression of some applications to the short-listing phase. As such, Court recommended that failure to secure renewal should be highlighted on the institutional risk register, with mitigating actions being undertaken to minimise this risk.

III. PARC BUSINESS

1. Minute of the Meeting held on 20 September 2016

Court noted the minute of the meeting (on file, Court 16/03).

2. Admissions Numbers

Members noted the summary (on file, Court 16/04) of estimated FTE student entrant numbers by cohort for Academic Session 2016-17.

3. Annual Development Update

Court noted the summary report (on file, Court 16/05) outlining the University's philanthropic performance to 31 July 2016.

4. Institutional Indicators Update

Members discussed the annual review and summary report of institutional performance against target (on file, Court 16/06). A number of recommended revisions were suggested: firstly, to retain the current indicator for percentage of capital expenditure compared to depreciation, with a note to explain that performance will fluctuate dependent on the in-year level of capital spending;

secondly, to separate out EU students from 'Home' in tuition-fee related indicators going forward; and, thirdly, to present to Court at future meetings an updated dashboard on in-year research performance (the KPI related to research in the present report being refreshed at an annual frequency, reflecting the external comparison data that is available). It was also recommended that the proposed indicator referring to citation rates should explicitly refer to its intended usage across the Science discipline rather than applying to Arts subjects.

5. Strategic Plan Update

Members noted the updated list (on file, Court 16/07) of ongoing actions by Principal's Office members aimed at delivering the objectives of the University's strategic plan.

6. Gatty Redevelopment

Court considered a proposal (on file, Court 16/08) for investment to redevelop the Gatty Marine laboratory in support of the research undertaken by the Scottish Oceans Institute (SOI). The Vice-Principal (Research) highlighted that one-sixth of the University's total research income was related to the academic work undertaken by the SOI, as indicated in the previously-circulated academic business case that had been well-received by Court. The proposed redevelopment of the laboratory facilities (involving demolition of the original Victorian building to create a purpose-built research aquarium) would support and enhance the University's global reputation in the competitive area of marine science, an area that St Andrews currently excels in. **[Part of this section has been redacted under Section 33(1)(b) (Commercial interests and the economy) of the Freedom of Information (Scotland) 2002 Act.]**

After discussion, Court agreed to support a maximum level of investment of up to £14.5m in the Gatty redevelopment, to include a revised contingency figure of a maximum of £1m.

It was agreed that KPMG's forthcoming independent review of capital projects post-completion should seek to identify practical lessons to be learnt from estate planning and procurement processes, to ensure that pre-tender estimated costs are reasonable and reflective of external factors such as inflationary uplift on construction costs.

7. Property Update

Court received the summary report of planned and on-going capital projects being undertaken by the University (on file, Court 16/09).

IV. REGULAR BUSINESS

1. HEALTH & SAFETY UPDATE

Court noted the report (on file, Court 16/10) of recent Health & Safety performance against related targets and external indicators.

2. AUDIT & RISK COMMITTEE

i) Minute of the Meeting held on 7 September 2016

Members noted the minute of the Committee's meeting (on file, Court 16/11), commending the considerable preparatory work that has gone in to planning for this year's Raisin Weekend, following instances of unacceptable behaviour occurring at last year's event.

ii) Academic Assurance Group Annual Report, 2015-16

Court noted the annual report (on file, Court 16/12) of the Academic Assurance Group's discussions and activities.

iii) Statement to SFC of Internal Subject Review

Court approved the annual institutional statement of teaching quality and internal subject review (on file, Court 16/13), for onward submission to the Scottish Funding Council.

iv) Minute of the Meeting held on 3 October 2016

Members noted the minute of the Committee's meeting (on file, Court 16/14), with Dr Popple highlighting to Court members the forthcoming internal audit review of the University's portfolio management procedures, a timeous development given the number of large-scale capital projects that are being planned or being undertaken.

v) Financial Statements, 2015-16

Members discussed the financial statements that were considered in detail by the Audit & Risk Committee at its meeting on 3 October. The format of the annual statements has been changed to comply with the new FRS102 accounting standards for HE, which was brought to Court members' attention since the new presentation might be unfamiliar in comparison to past years' statements. The new format of the accounts also introduces more volatility and complexity into the statements, reflective in the number of disclosures and explanatory notes given therein. It was noted that the Finance Director would be considering whether the highlights of the narrative section of the financial statements could be reworked into a less-technical 'annual report' that could be utilised for other activities, such as part of an information pack to potential donors, research partners, etc.

Declaring an interest as an S&LAS trustee, the Quaestor & Factor confirmed that the local pension scheme was at present 99% funded, which was a positive performance in comparison to the large deficit of the national USS scheme.

On the Audit & Risk Committee's recommendation, Court approved the annual year-end financial accounts (on file, Court 16/15), commending the Finance Team for their timely and effectual completion of the annual financial closure process, noting the added complexity in this transition year to FRS102.

vi) Audit & Risk Committee Annual Report, 2015-16

Members noted the Committee's annual report of its activities (on file, Court 16/16).

vii) Risk Management Update

Court welcomed the format of the revised paper of high-level institutional risk and the mitigation controls in place for each (on file, Court 16/17). It was noted that the document would continue to be enhanced, to improve its presentation and utility.

3. GOVERNANCE & NOMINATIONS COMMITTEE

i) Minute of the Extraordinary Meeting held on 16 August 2016

Court noted the minute of the Committee's meeting (on file, Court 16/18).

ii) Appointment of Court Intermediary

Court noted the recent appointment (details on file, Court 16/19) of Mr Ken Dalton as designated Court Intermediary, to serve in that capacity until 31 July 2020 (dependent on the renewal of Mr Dalton's second and final term as Non-Executive Court Member).

4. ACADEMIC COUNCIL

Members noted the report of the meeting held on 28 September 2016 (on file, Court 16/20).

5. COURT OFFICE BUSINESS

Court received the report from the Executive Officer (on file, Court 16/21) detailing recent staff-related trends reported by Human Resources and other Court-related matters. In receiving the report, Court promulgated Draft Resolutions 2016 No.2 (Foundation of Chairs) and No.3 (Degree of Master of Studies).

V. DATE OF NEXT MEETING

Friday 20 January 2017 at 10.00am.

UNIVERSITY COURT OF ST ANDREWS

AT ST ANDREWS on the 20th day of JANUARY 2017 AT A MEETING OF THE
COURT OF THE UNIVERSITY OF ST ANDREWS

Present: Ms Catherine Stihler, *Rector (President)*; Dame Anne Pringle, *Senior Governor*; Professor Sally Mapstone, *Principal*; Professor Garry Taylor, *Deputy Principal & Master of the United College*; Mr Adrian Greer, *Chancellor's Assessor*; Ms Charlotte Andrew, *President, Students' Association*; Mr Jack Carr, *Director of Representation, Students' Association*; Mr Dylan Bruce, *Rector's Assessor*; Mr Kenneth Cochran, *General Council Assessor*; Professor Frances Andrews, Dr Chris Hooley and Dr Philip Roscoe, *Senate Assessors*; Mr David Stutchfield, *Non-Academic Staff Assessor*; Mr Timothy Allan, Ms Pamela Chesters, Mr Ken Dalton, Professor Stuart Monro and Dr Mary Popple, *Non-Executive Members*.

In attendance: Mr Alastair Merrill, *Vice-Principal (Governance & Planning)*; Dr Anne Mullen, *Vice-Principal (International)*; Mr Derek Watson, *Quaestor & Factor*; Mr Andy Goor, *Finance Director*; Dr Gillian MacIntosh, *Executive Officer to the University Court*; Professor Thomas Neukirch, *Head of the School of Mathematics & Statistics* (for Item III only).

Apologies: Mr Nigel Christie, *General Council Assessor*; Professor James Naismith, *Senate Assessor*; Councillor Bryan Poole, *Provost of Fife's Assessor*; Mr Nigel Morecroft and Professor Sir David Wallace, *Non-Executive Members*.

I. OPENING BUSINESS

1. MEETING MINUTES

i) Minute of the Court Meeting held on 14 October 2016

The minute (on file) was agreed as a correct record.

ii) Court Away Day Report, 14 October 2016

Members approved the report of strategic business discussed at the October 2016 Court Away Day (on file, Court 16/22).

2. REPORT FROM THE PRINCIPAL

The Principal provided a verbal update to Court on events highlighted in her advance written report (on file, Court 16/23).

Professor Mapstone noted the success of a national conference recently held in St Andrews on 19 January to share best practice in embedding equal opportunities across the education sector. The event, attended by the Deputy First Minister and Cabinet Secretary for Education and Skills John Swinney MSP

and the new Commissioner for Fair Access Professor Sir Peter Scott, proved to be a valuable opportunity to showcase the University's successful initiatives to enhance wider participation and diversity in University education. The Principal confirmed that she would continue to focus on this important area in her new Universities Scotland role as chair of the admissions work-stream of the widening access agenda. This group would be largely focused on a review of contextual admissions practices across the sector, to identify improvements through which the potential of applicants from disadvantaged backgrounds might be taken into account in the University application process.

The potential implications of Brexit for the UK HE sector remained high on the agenda for the Principal's Office. In the Prime Minister's recent speech confirming the intention for the UK to leave the EU single market, priority for the UK's continued access to European research funds and consortia was however highlighted. The potential implications of Brexit for free movement of staff and students, and the continued uncertainty of a possible second referendum on Scottish independence, were being tackled by increased lobbying on the importance of existing student exchange agreements (such as Erasmus) and modelling for a range of potential planning scenarios to prepare for a number of political outcomes. The Principal would attend a Universities Scotland dinner in late January to discuss Brexit with other institutional leaders. Political constraints on the number of international students permitted leave to study in the UK remained a concern, though the Principal welcomed the encouraging statement from the UK Government made in the context of the House of Lords' debate on the draft HE & Research Bill currently proceeding through Parliament. Also welcomed was the UK Government's announcement in the autumn budget statement of a £4.7 billion fund by 2020-21 to support research, innovation and industrial strategy; it was currently being reviewed how this would be distributed and apportioned to the research councils, particularly in the context of funding streams accessible to Scottish institutions.

The Principal also reported to Court that the potential abolition of the SFC (which was to be merged with other economic agencies under a single board) might now be limited by the Scottish Government's recent defeat in the Scottish Parliament for its initial plans to merge Highlands & Islands Enterprise into the new Scotland-wide statutory board. It was not yet clear how the Scottish Government would react to the parliamentary vote and how this might impact on plans to reform the existing structure of the SFC.

Court joined with the Principal in wishing the Vice-Principal (Research) a speedy return to full health.

II. PARC BUSINESS

1. Minute of the Meeting held on 15 December 2016

Members noted the minute of the meeting (on file, Court 16/24).

The Senior Governor highlighted that henceforth not all PARC agenda business would be routinely starred at Court, to allow time for detailed discussion on the

key strategic issues requiring Court's input. Routine Court presentations would also be held mid-meeting and would focus on topical issues rather than background summaries of Units or Schools. Court members' feedback on these changes to the agenda was sought, following a trial period over the next couple of Court meetings.

2. Property Items

Court discussed three capital schemes (summary on file, Court 16/25), each requiring specific Court approval as detailed below.

Members considered a proposal to fund the third and final stage of the Sports Centre redevelopment (which would provide indoor tennis courts), following the successful completion of Phase 1 and 2 within timescale and budget. The overall cost of the scheme remained within the total budget of £14m previously supported by Court and the development was on track to receive a BREEAM rating of excellent, the standard for all ongoing and future University capital builds where feasible. Court approved the investment required to complete Phase 3 of the project, with the build expected to be complete by the end of September 2017.

Members discussed a proposal for the University to enter into an arrangement with Fife Council to enable the creation of a replacement Madras College secondary school on the University-owned Langlands site situated to the west of the town. To proceed, the latter site must also be chosen as the preferred location for the new school following Fife Council's current educational consultation. [...] **[Part of this section has been redacted under Section 33(1)(b) (Commercial interests and the economy) of the Freedom of Information (Scotland) 2002 Act.]**

Court members had visited the Madras College South Street site the previous day on a familiarisation visit. The Quaestor & Factor highlighted the transformational potential of the project to share best practice between the secondary and tertiary education sectors (including shared facilities where possible), enhance transitional processes between each, and raise aspirations for children to attend university, thus supporting the widening participation agenda. Issues discussed by Court included the potential access routes to the site across developed University land to the south and east (for those children travelling to the School from the eastern side of St Andrews, roughly 1/3 of the present intake) and the relationship of such pedestrian access routes to other proposed developments included in the current St Andrews West masterplan. There was support for an early assessment of demolition costs for the redundant and dilapidated school buildings at the rear of the South Street site (including asbestos removal) and for the Principal's Office to consider whether management capacity in the senior team needed to be augmented to oversee the potentially large project.

Noting that the potential cost of refurbishing the Madras College South Street buildings for future University use was not accounted for in the institutional capital plan, Court discussed which factors would determine the prioritisation,

phasing or delay of existing capital schemes detailed in the plan. The Quaestor confirmed that the present iteration of the capital plan was flexible and that individual schemes therein might be rescheduled dependent on available cash and funding. Academic need was the driving priority in the scheduling of schemes, and changes to the timetabling order of individual schemes would continue to be debated at Principal's Office, PARC and Court to determine release of funds on the submission of individual business cases.

Court agreed in principle to endorse the Madras scheme as above, subject to satisfactory completion of the ongoing statutory consultation processes underway by Fife Council. Further details on the proposed scheme would come back to PARC and Court thereafter.

Members reviewed the various strands of capital works being considered for the Eden Campus in Guardbridge. Discussing the site development option for establishing a data centre (via a long-term, 150 years' lease arrangement for c.four acres of land to a private company which will design, build, fund and operate a mid-size facility), the Quaestor highlighted that Scottish Power had recently confirmed that the data centre could be supported by bringing forward to 2018 a planned infrastructure upgrade to the electrical capacity of the local substation. It was recognised that the establishment of the facility – and enhancing the basic utilities infrastructure in this way – might be an important magnet to bring other private investment onto the large, brownfield development site. It was noted that such a data facility would be self-contained and comprehensively secured by the owners from the rest of the site, but that the University might wish to use it as a back-up location for its own data storage needs. Noting that heads of terms for the proposed agreement would be produced by mid-February, Court thereafter approved in principle ongoing discussions for a lease arrangement for a data centre as described above.

The Quaestor provided an update on the offer of [...] equity investment in the Eden Campus [...]. By using the proposed funding to create a SPV Investment Company, equity would be made available as start-up to companies which wish to establish themselves on the Eden Campus site. [...] **[Part of this section has been redacted under Section 33(1)(b) (Commercial interests and the economy) of the Freedom of Information (Scotland) 2002 Act.]** It was thought that the existence of such a fund would additionally help lever other capital for the Eden Campus from external funders, and would be practically supportive of the Scottish Government's innovation and business agenda, which has been identified as a priority for ongoing funding support.

Members discussed the proposal, noting the legal drafting of any such agreement would be vital to minimise risk. Issues discussed included the potential risks and benefits to the University's reputational profile and if this was being appropriately valued in the proposed terms of agreement. It was agreed that, if established, the fund might provide welcome opportunities for the spin-out of the University's own research, in addition to external business opportunities that were expected to be the main users of the fund.

Following detailed discussion, Court agreed to support in principle the proposed investment model, with future updates to PARC and Court to give more granularity on the project model and its risk / benefit assessment.

Noting the governance concerns expressed by Audit & Risk regarding the chairing of some project boards by Non-Executive Court members (thus potentially diluting the oversight of Court over their operation), Mr Tim Allan confirmed that he was stepping down as interim chair of the Eden Campus Project Board to resume his position as an ordinary member thereof. It was however agreed that Court should reserve the right to make recommendations for Chair appointments to project boards, should particular expertise be required, exceptionally, to support the Executive team.

3. Property Update

Members noted a summary (on file, Court 16/26) of progress with a number of planned and ongoing capital investment schemes, including the Gatty marine laboratory, St Andrews West and the proposed Housing scheme at the Grange.

4. Capital Investment Plan

Court discussed a summary of the long-term capital investment plan for the next ten years (on file, Court 16/27). The Finance Director confirmed that the present plan identified a small number of pinch-points in relation to available cash, which might require the delay or phasing of a number of the individual schemes therein, but that the current iteration of the plan did not include any potential receipts from a number of property deals currently under discussion. It was noted that the approval of a number of individual schemes within the plan would not be realised unless there was sufficient cash to support them, and that PARC and Court would be asked to approve business cases for each before they proceeded. It was agreed that future updates of the plan to Court would contain information on potential income sources that might impact upon the bottom line should they indeed be realised.

5. Strategic Plan Update

Court noted the summary of ongoing activities being undertaken by the Principal's Office to implement the delivery of the University's strategic plan (on file, Court 16/28).

6. Institutional Indicators Update

Members noted the quarterly report (on file, Court 16/29) of the University's institutional performance measured against defined targets related to research, financial stability and staff.

7. Summary Financial Report to 30 November 2016

Members noted the summary report of recent University financial performance (on file, Court 16/30). The Finance Director indicated that performance was

currently ahead of plan, due primarily to the cash receipt received for Fife Park redevelopment phase 2 and to higher residential occupancy rates and currency exchange fluctuations impacting positively on cash balances. As requested at PARC, the summary included a cash balance estimation, to give a broad estimated forecast of the end-of-year predicted cash figure at regular points throughout the year.

8. SFC Outcome Agreement, 2017/18

Members noted the briefing paper (on file, Court 16/31) outlining the process for finalising the 2017/18 Outcome Agreement with the SFC.

III PRESENTATION

1. School of Mathematics & Statistics

Professor Thomas Neukirch was welcomed to the meeting to present to Court (summary of the School's profile on file, Court 16/32).

Discussing the need for a new Mathematics building on the North Haugh, Professor Neukirch highlighted that the School was currently split over two physical locations: the Mathematical Institute on the North Haugh (a 1960s building with a mixture of teaching and office space for Applied and Pure Mathematics) and the Observatory situated off Buchanan Gardens (built in the 1950s, now primarily accommodation for Statistics staff). Both buildings suffer from out-of-date facilities, lack informal study space now requested by students and are largely unsatisfactory for disabled access. Whilst a new building to co-locate all School activities in one site would improve the quality of the School's estate, it would also enhance the potential for expansion of staff and students in key areas (existing student numbers currently outstrip the maximum capacity of the School's 137-seater lecture theatre) and improve the teaching and research collaboration between the existing divisions split across separate sites. By concentrating all the School's activities on one North Haugh building, collaboration and interaction with academic colleagues in Computer Science, Biology and Medicine might also be enhanced. It was intended that, following the completion of a new build for Maths, the present building would be used as decant space, to permit other redevelopment of 1960s built estate on the North Haugh.

The School's data storage needs were also a focus of Professor Neukirch's presentation. The High Performance Computing requirements of Applied Mathematics and Statistics involve the routine use of multi-terabyte datasets, with fast access via the University network and powerful PCs to perform the required analysis and data mining. It was recognised that the School's specific requirements from IT (including issues of capacity, connectivity and concurrent usage of large datasets) needed to be carefully taken into account in planning IT upgrades and the potential for an off-site data centre located at distance in the Eden Campus.

The Rector thanked Professor Neukirch for attending Court to give his informative presentation.

IV. REGULAR BUSINESS

1. HEALTH & SAFETY UPDATE

Court noted a summary (on file, Court 16/33) of recent institutional health and safety performance.

2. AUDIT & RISK COMMITTEE

i) Minute of the Meeting held on 28 November 2016

Members noted the report of the meeting (on file, Court 16/34).

Dr Popple, Convener of the Committee, highlighted the proposed appointment to the Committee of Ms Lynn Brown, previously Executive Director of Finance at Glasgow City Council, who will augment the overall Committee skill-set in this area. Dr Popple noted that internal audit planning for the next academic year was well underway, to enable KPMG, the internal auditors, to improve their performance in delivering audit reports on time and to plan. There was one further year of contract to run with the present internal auditors, with the likelihood of a tender process being held to review this area of activity.

ii) University Ethics Assurance Group Annual Report

Court noted the annual summary (on file, Court 16/35) of the Assurance Group's activities, including its oversight of the University Teaching & Research Ethics Committee and the Animal Welfare & Ethics Committee

iii) Risk Management Summary

Members noted a short summary (on file, Court 16/36) of institutional risks that have been escalated for the attention of the Audit & Risk Committee, along with their related controls.

3. GOVERNANCE & NOMINATIONS COMMITTEE

i) Minute of the Meeting held on 13 October 2016

Members noted the report of the meeting (on file, Court 16/37). In doing so, the appointment of Ms Lynn Brown as a co-opted external member of the Audit & Risk Committee, for a standard two-year term from 1 February 2017, was approved.

ii) Minute of the Meeting held on 15 December 2016

Members noted the report of the meeting (on file, Court 16/38).

In reference to a potential area of focus for the forthcoming Court Effectiveness Review (to begin in the next academic year) being a future protocol for Court's involvement in project boards, it was agreed that such a review could usefully encompass the criteria under which a board is established, how boards report into the formal Court committee structure, and how academic expertise in the University could be levered within relevant areas.

iii) HE Governance (Scotland) Act Implementation: General Council Assessors

Mr Ken Cochran declared an interest in this agenda item as a currently elected General Council Assessor on the University Court.

Mr Cochran spoke of his concern with a draft proposal (on file, Court 16/39) to replace the two elected General Council representatives on Court with two appointed members from the same constituency. To effect the proposed change, an amendment in Ordinance would be required, after formal consultation with General Council and Senate. Mr Cochran highlighted that the General Council was numerically the largest representative stakeholder on Court, representing the whole alumni community and certain categories of staff, and the membership has been engaged with the University (as demonstrated by the many responses from General Council members to the Scottish Government's HE Governance Bill consultation). Alumni were important donors to many philanthropic campaigns, and worldwide ambassadors for St Andrews as their alma mater. Mr Cochran noted that the General Council has traditionally been recognised (until the passage of the Scottish Government's recent HE Governance Act) as the third leg of University governance, in tandem with Court and Senate. In reference to the traditionally low turnout (c.2.5%) in General Council Assessor elections, and a lack of gender balance and diversity in those elected, Mr Cochran recognised that improvements needed to be made. The General Council Business Committee, at its recent meeting, unanimously felt that the General Council community must not be disenfranchised. It would be providing an input to this effect to the next meeting of Governance & Nominations Committee at its next meeting in March.

The Senior Governor confirmed that Governance & Nominations Committee will review the proposal, including feedback from the Business Committee, before making a recommendation to Court at its next meeting in April. It was important to ensure that Court had access to the right mix of skills and diversity.

4. REMUNERATION & HUMAN RESOURCES COMMITTEE

i) Minute of the Meeting held on 11 November 2016

Members noted the report of the meeting (on file, Court 16/40).

Professor Monro noted that the Committee's regular review of the gender pay gap was commendable, but that focus should also be given to ways to improve practical processes for supporting women returning to work after leave, which the Principal agreed was an institutional priority. Ongoing discussions on the

content of a revised *Scottish Code of Good HE Governance* clearly indicated that institutions would be expected to mainstream diversity practice across a broader area than gender, which might inform how the Committee's oversight of the equality agenda should proceed in future.

ii) Annual Report of Senior Salaries

Court noted the annual report (on file, Court 16/41) of senior staff salaries. The Vice-Principal (Governance & Planning) noted that the Committee was reviewing the approach to senior salaries. A supplement to the present report would be provided to the next meeting of Court on senior staff salary increases outwith normal procedures, and the basis on which these had been determined.

5. ACADEMIC COUNCIL

Members noted the report of the meeting held on 7 December 2016 (on file, Court 16/42).

6. COURT OFFICE BUSINESS

Court received the report from the Executive Officer (on file, Court 16/43) detailing recent staff-related trends reported by Human Resources and other Court-related matters. In receiving the report, Court gave final approval to Draft Resolutions 2016 No.2 (Foundation of Chairs) and No.3 (Degree of Master of Studies by Research), and promulgated Draft Resolution 2017 No.1 (Degree of Bachelor of Medicine and Bachelor of Surgery).

V. ANY OTHER COMPETENT BUSINESS

Court formally recorded its thanks and best wishes to Professor Verity Brown, Vice-Principal (Enterprise & Engagement), who had stepped down from the Principal's Office at the end of December 2016 to begin a period of research leave linked to her academic work.

Dr Chris Hooley reported to Court a number of concerns raised with him by his constituency colleagues concerning the potential closure of the Gateway café in May 2017. Dr Hooley noted that the café was an important interdisciplinary meeting place for staff located in the North Haugh, catering for a more substantial range of tastes than the cafés situated in either the School of Medicine or Physics & Astronomy. The Master confirmed that the closure of the café was being considered as part of a scheme to allow for an increase in office space for the School of Management in the Gateway. Concurrently, to accommodate for the consequences of the potential closure of the Gateway, a review of the catering provision for staff and visitors on the North Haugh was underway.

VI. DATE OF NEXT MEETING

Friday 7 April 2017 at 10.00am, in the Students' Association.

UNIVERSITY COURT OF ST ANDREWS

AT ST ANDREWS on the 7th day of APRIL 2017 AT A MEETING OF THE COURT OF THE UNIVERSITY OF ST ANDREWS

Present: Ms Catherine Stihler, *Rector (President)*; Dame Anne Pringle, *Senior Governor*; Professor Sally Mapstone, *Principal*; Professor Garry Taylor, *Deputy Principal & Master of the United College*; Mr Adrian Greer, *Chancellor's Assessor*; Ms Charlotte Andrew, *President, Students' Association*; Mr Jack Carr, *Director of Representation, Students' Association*; Mr Dylan Bruce, *Rector's Assessor*; Mr Nigel Christie and Mr Kenneth Cochran, *General Council Assessors*; Professor Frances Andrews, Dr Chris Hooley and Dr Philip Roscoe, *Senate Assessors*; Mr David Stutchfield, *Non-Academic Staff Assessor*; Councillor Bryan Poole, *Provost of Fife's Assessor*; Mr Timothy Allan, Ms Pamela Chesters, Mr Ken Dalton, Professor Stuart Monro, Mr Nigel Morecroft and Dr Mary Pople, *Non-Executive Members*.

In attendance: Mr Alastair Merrill, *Vice-Principal (Governance & Planning)*; Professor Lorna Milne, *Vice-Principal (Proctor)*; Mr Derek Watson, *Quaestor & Factor*; Professor Derek Woollins, *Vice-Principal (Research)*; Mr Andy Goor, *Finance Director*; Dr Gillian MacIntosh, *Executive Officer to the University Court*; Mr Liam Sinclair, *Artistic Director, Byre Theatre* (for Item III only).

Apologies: Professor Sir David Wallace, *Non-Executive Member*.

I. OPENING BUSINESS

1. MEETING MINUTE

Minute of the Court Meeting held on 20 January 2017

The minute of the previous meeting (on file) was agreed as a correct record.

2. REPORT FROM THE PRINCIPAL

The Principal spoke to her advance written report (on file, Court 16/44), outlining her recent activities and summarising external issues of relevance to the University. Noting the continuing dominance of the implications of Brexit and the increased potential for a second Scottish Independence referendum, the Principal had recently emailed all staff and students to indicate what support was available for individuals who were considering formally applying for UK residency or British citizenship before the UK withdraws from the EU. Practical measures being put in place by the University includes subsidised legal advice and financial support for the cost of residency applications. The Principal noted that the response to this approach from staff had been overwhelmingly positive, with broad appreciation that the University was actively looking at practical means by which members of the University community can be advised about their rights and options as the UK completes the process to leave the EU. Initial, informal discussions have also taken place with Fife Council on this matter, to explore

whether there is scope for the University to co-ordinate with similar efforts in their organisation to provide respective employees with expert advice and support, particularly as regards an individual's immigration status.

The Principal highlighted to Court members the Scottish Government's new initiative as part of the ongoing Skills and Enterprise Review, the 'Learner Journey', which aims to improve students' transition from school to tertiary education, and thence work. Focused specifically on 15 to 24 year olds, the programme will explore articulation routes between senior school level and Further / Higher education (reviewing key transitions points such as secondary school to first- or second-year university entry), to improve career development opportunities and ensure efficient learner pathways. Included within the scope of the review is the continuance of the traditional four-year Scottish university degree. The Principal indicated that St Andrews would clearly defend the four-year degree structure, since it allows students increased choice and experimentation in a variety of academic subjects, and provides time for students to gain an important grounding in subjects that might not have been previously studied at school-level. Universities Scotland's initial response to the ongoing review was not as robust in defending the four-year degree as the University would wish, thus the Principal and Proctor have engaged further to make clear St Andrews' own position on this matter. The Principal highlighted that education clearly remained a major priority for the Scottish Government in the life of this parliament, and it would be important that the University played a meaningful part in ongoing discussions on new policy initiatives in this area.

The recent Senate 'Town Hall' meeting was highlighted, this held to discuss the potential reform of Senate and Academic Council as part of the implementation activities to enact the requirements of the Higher Education Governance Act 2016. Dr Hooley indicated that Senate members who had contacted him were grateful for the opportunity to be consulted on the draft proposals at an early stage. The Principal thanked the Vice-Principal (Governance & Planning) for his clear presentation given at the meeting, outlining the potential options for Senate reform to meet the Act's obligations.

Noting that the Principal's report stated that Dr Anne Mullen was no longer in the employment of the University, Court heard from the Principal that the intention was to make the reconfigured International Strategy and External Relations portfolio more genuinely strategic.

Court congratulated all staff involved in the impressive EPSRC Impact Acceleration Account Showcase & Exhibition, held in the University on 16 March, which demonstrated the wide range of impact-generating research undertaken by St Andrews in the physical sciences.

II. PARC BUSINESS

1. Minute of the Meeting held on 23 March 2017

Members noted the report of the meeting (on file, Court 16/45). The Senior Governor brought to members' attention the new format of the Committee's

papers, this intended to give a clear summary of individual capital projects and their timescale in the context of the ambitious capital programme planned over the next decade.

2. Gatty / Scottish Oceans Institute Redevelopment

Members considered a proposal (on file, Court 16/46) for an increase in the approved £14.5m budget for the Gatty project, to restore an appropriate level of contingency funding following the escalation of core costs due to the identification of specialist pipework requirements excluded from the current tender. A review of the project's overall budget had now been undertaken by a newly appointed quantity surveyor, and the overall cost (including c.15% contingency of £1.820m plus VAT) was now set at £16.544m. The Vice-Principal (Research), as Project Sponsor, confirmed that this new review had specifically considered the complexity of the demolition of the Victorian building and the specialist requirements of the new facility, and that the estimate was a prudent one, pricing potential risk at its highest level. It was however vitally important that Court had confidence in the budget and timescale for the project, and that the current project scope remained fixed and not subject to potential creep, such that might erode the required level of contingency (which should be specifically assigned to the various demolition and build stages for the project). It was agreed that any change to the project's defined scope would require the explicit sign-off by the Vice-Principal (Research) and that there would be an additional review with the Quaestor & Factor of all approved changes. It was also recommended that, as the build progresses, any unused balances on the specific contingency funds set for various stages be removed from the construction budget, to ensure that the project comes in at cost, and that unused contingencies are not appropriated to expand the scope of the project.

Members agreed that it would be prudent to seek to learn lessons from the Gatty project, as the University plans to embark on a number of major redevelopments of buildings such as at Guardbridge and potentially Madras College's South Street site. It was vital that individual projects are understood within the context of the overall Capital Plan and led directly to the academic strategy, such that the consequences of overspend in one area do not negatively impact on other strategic projects. It was decided that a small sub-group - Executive-led but involving Lay Court members - should be established to evaluate project management of capital projects above a set level, included in which would be review of the priority of spend outlined in the Capital Plan. It was noted that Court should be asked for approval of a project budget when cost certainty has been reached, and thus the framework of the capital project approval process (from initial cost estimates to calculation of contingency level and eventual tender process) should also be reviewed to determine that this was appropriate.

Also discussed was the current level of capacity in the senior management team to deal with the ambitious scale of future capital works. The Principal noted that this issue was one that intersected with her ongoing review of Principal's Office member portfolios, in which major projects on the horizon (such as Madras) will be taken into account in the future capacity planning of the senior team. It was agreed that an agenda item for the Court Away Day in October 2017 will be a

discussion on practical planning for the capital programme, which will allow the Principal an appropriate amount of time to consider how the structure of senior management leadership can deliver the University's strategic ambitions.

Court thereafter agreed to support the increased budget of £16.544m for the Gatty redevelopment, including an appropriate level of contingency as detailed above.

3. Projects Update

Court noted the update (on file, Court 16/47) of ongoing and planned capital projects. In relation to the revised plans to accommodate Special Collections at a site other than the Eden Campus, the Vice-Principal (Research) confirmed that an assessment of the collection holdings, including the possibility for disposals and triaging of items based on most frequent use, was underway, which would help to inform future decisions about what size and type of space is required permanently to house Special Collections.

Noting the positive progress with the final Phase 3 redevelopment of the Sports Centre, which will provide indoor tennis facilities, Dr Popple expressed concern about the increased traffic on St Leonard's Road in consequence of the number of heavy construction vehicles proceeding to the site. Noting that the planned residential expansion in the gap site next to University Hall would compound the increased traffic volume on this narrow street, the Quaestor & Factor confirmed that consideration was being given to opening up an alternative route to the Sports Centre from the North Haugh, which would also provide a connection from there to the possible location of the new Madras School if built at Langlands. In the interim, discussions were underway with Fife Council to determine if buses for visiting sports teams could be accommodated at stances near the West Sands, to alleviate the problem of increased traffic and tight turning near the Sports Centre whilst building work in the area continues.

Court approved the recommended two-year lease extension to the Byre Theatre (having reached the three-year break point of the original 25-year lease), noting that the lease extension would allow time for the new Artistic Director to develop a business plan for the Theatre's long-term sustainability as a valued University and community resource. It was recognised that a strong financial return from the venue was unlikely to be a realistic ambition, but that the developing business plan would consider what subsidy cost would be reasonable for the University to incur to support the Theatre's continued operation as a key facility for staff, students and the local community, with proven importance for many research, teaching and extra-curricular activities. It was agreed that if the University should choose to make a long-term commitment to the Byre, ownership discussions with Fife Council should ideally take place, given the level of University investment made to date.

4. Capital Investment Plan Update

The Finance Director provided a summary of the University's long-term capital plan (on file, Court 16/48), highlighting that the current scheduling of individual

projects in the overall plan is dependent on the realisation of income streams identified from ongoing property developments with external partners and income from Development Office activities. However, no estimates for this income are included in the plan at present. The Principal's Office regularly reviews the plan in detail, as does the Space Asset Management Group, in order that the capital strategy is fully linked into other strategic discussions on finances, staffing and student numbers etc.

Members discussed the ambitious nature of the plan and the potential budgetary pinch-points. The Finance Director confirmed that Court or PARC approval for progressing with each of the individual schemes would only be sought if the financial requirements for funding were met. Within the lifespan of the plan, the University would begin the settlement of its long-term borrowing commitments (the repayment of which begins in 2019), and this cost was fully factored into the current calculations. The capital programme was ambitious, with potential to transform the University's estate and activities across key strategic areas. The scheduling of individual projects might be necessarily delayed, however, should income generation not reach forecast levels, with such flexibility built into the plan as standard.

Members discussed the possible sequencing of capital developments, noting that the potential acquisition of town-centre estate (such as the Madras South Street site) could be expected to delay other town-centre refurbishment such as the Bute, dependent on future decisions to be made about the growth of Arts Schools and their space requirements. It was agreed that, for future updates to Court, it would be useful if the plan indicated which capital schemes are presently fixed or committed to. It was also noted that the sub-group set up by Court in reference to the Gatty might review as part of their discussions the potential impact of a larger budget for this project on the scheduling of other capital expenditure detailed in the plan.

The Finance Director confirmed that the next Court meeting would receive the next iteration of the institutional Financial Plan, which would include a forecast relevant to the Capital Plan.

5. Institutional Indicators Update

Members noted the routine update (on file, Court 16/49) of institutional performance against set targets. In relation to the present indicator on the percentage of senior staff who are female, it was recommended that this be enhanced, if possible, with data on gender pay differentials.

6. Strategic Plan Update

Court noted the summary (on file, Court 16/50) of ongoing action points to deliver the University's strategic plan priorities.

7. Summary Financial Report to 28 February 2017

The Finance Director highlighted the key results of the in-year financial report (on file, Court 16/51), noting that institutional performance was largely on target, albeit with a higher-than-forecast operational surplus at present due to the receipt of a large tranche of income related to an ongoing student residential development. Cash reserves remained positive, helping support the capital programme. Queries raised by members included the level of forecast operational costs, particularly in IT and Estates against budget and the potential loss of research grant income due to academic staff moves to other institutions.

The Finance Director notified Court members of the intention to move the October 2017 Audit & Risk Committee meeting date to 11 October (from its originally scheduled date of 4 October), to allow more time for the Finance team and the external auditors to complete the year-end process under the more complex system of IFRS. As a result, the 2016-17 Financial Statements would be issued to Court in draft for its meeting of 17 October, with an update provided before the Court meeting of any changes as a result of Audit & Risk's subsequent consideration of the accounts. In future years, Court's October date would be moved to later in the month to allow for the appropriate break between meetings for the usual turn-around of minutes and supporting papers.

8. Indicative Scottish Funding Council Grant Letter

Members noted the indicative summary (on file, Court 16/52) of predicted grant income from the SFC for AY2017-18.

9. Proposal to amend S&LAS Pension Scheme

The Quaestor & Factor, the Vice-Principal (Governance & Planning) and Mr Ken Dalton declared an interest in this agenda item as current trustees of S&LAS.

Court considered a proposal (on file, Court 16/53) to introduce a Career Averaged Revalued Earnings (CARE) structure to S&LAS, with revaluation in line with the Consumer Prices Index. The change is intended to recover Employer National Insurance costs incurred as a result of the end of 'contracted-out' status of pension schemes, introduced by UK Treasury, and is to ensure the future finance sustainability of the scheme and its continued accessibility to new members of eligible staff.

Dr Hooley noted that fixing the accrual rate at its current proportion of 1/80th might have the effect of disadvantaging staff who gain career promotion, and that the supplied case studies of sample members did not factor in to their modelling staff that so advance in their career. Mr Morecroft confirmed that this issue was one that had received considerable discussion at the Remuneration & Human Resources Committee, and that the proposal being put to the Trustees sought to seek a prudent balance on the financial sustainability of the scheme and fairness to employees. Mr Dalton, as Chair of the Trustees, also highlighted that the over-riding concern in the review of the Scheme's structure has been to

continue University support for a defined benefit scheme, with long-term financial sustainability going forward.

The Finance Director confirmed that the Trustees are shortly expected to approve the proposal detailed to Court and that consultation with members will begin shortly, with a planned implementation date of 1 August 2017 if approved.

III PRESENTATION

1. Byre Theatre

Mr Liam Sinclair, Artistic Director of the Byre Theatre, joined the meeting to present to Court on the recent activities and performance of the Byre (summary and presentation slides on file, Court 16/54).

Summarising his career background prior to joining the University in October 2016, Mr Sinclair highlighted that his first priority in the role has been to draft a four-year strategic business plan for the Byre. This will seek to build on the dramatically increased usage of the venue since it re-opened under University management in 2014, with the Theatre now hosting double the number of events that occurred before the Byre originally closed in 2013. The business plan includes a new Mission Statement, and also details the vision for the facility over the next 10 years. The strategy proposes an equally proportionate focus on a popular programme with box office returns; a recognition of the Byre's heritage as a repertory theatre; and the promotion of events that develop public engagement, support creative thinking and aid research impact activity. Related to these themes are fusion with the University's strategic aims in research, teaching and learning, with involvement in cross-institutional initiatives such as career apprenticeships. It is an ambition to develop a growing and sustainable business / financial model, with an integrated bar facility, engagement with a diverse audience model, and maximised opportunities for learning, training and professional development. In addition to operating the Byre as an Arts hubs with a related programme encompassing professional, community and student events, the second strand of activity is to establish a Centre for Engagement in Research through Arts (CERTA), an interdisciplinary hub to provide opportunities for collaboration between artists and academics, aligned also with University research activity, a recent example being a collaborative event with staff in the School of Biology looking at outreach opportunities for their academic research on whale song.

In the following discussion with Court members, the importance of a successful, functioning theatre to research funding bodies such as the AHRC was highlighted by Professor Andrews. The need for academics to be aware of the opportunities afforded by the Byre was flagged, particularly at an early stage in grant applications as their research scope was being defined. It was thus vital that Mr Sinclair quickly established relationships with the Schools and research support offices, and that required bookings for the venue be made promptly given the demand for the facility. The appointment of the sabbatical Director of Student Development & Activities to the Byre Board was warmly welcomed, noting that student input into the Theatre's strategic direction, and formal linkages with

existing student-led festivals such as *On the Rocks*, would help create a vibrant, popular programme of events, of interest to students and the local community alike. Collaboration between student productions and local community groups might be a potential area of future activity, which the Byre would be happy to broker.

Mr Sinclair outlined the two apprenticeship positions in the Byre (in both technical and production fields), plus the four intern roles available in marketing. It was recognised that there was scope to expand the number of vocational training opportunities provided by the University linked to the Theatre, which might be supported financially by Creative Scotland funding or can be secured by targeting the right Development prospects for philanthropic fundraising. On the financial front, it was confirmed that a priority will be bringing the cost-base in the café under control, with plans to create a more appropriate and sustainable catering outlet, with an improved gross profit on goods sold. There was broad recognition, however, that the success of the Byre could not simply be measured in financial terms; rather, its value to the University in research and teaching terms was thought to merit a subsidy, the level of which would be determined as the Board sought to implement the new business plan.

The Rector thanked Mr Sinclair for an engaging and informative presentation to Court on his ambitious plans for developing the artistic direction of the Byre Theatre.

IV. REGULAR BUSINESS

1. HEALTH & SAFETY UPDATE

Court noted a brief summary of recent institutional health and safety performance (on file, Court 16/55).

2. AUDIT & RISK COMMITTEE

i) Minute of the Meeting held on 16 February 2017

Members noted the report of the meeting (on file, Court 16/56). Dr Mary Popple, the Convener of Audit & Risk, highlighted the Committee's recent discussions on collections management in Special Collections (in the context of their annual report to members) and the useful findings of a recent Internal Audit review on portfolio management of Business Transformation projects. As she stood down from Audit & Risk as the Convener of the Committee, Dr Popple thanked Dr Gillian MacIntosh for her practical support offered to all Court Committee conveners.

ii) Risk Management Update

Members noted a short summary (on file, Court 16/57) of escalating institutional risks and their related controls

3. GOVERNANCE & NOMINATIONS COMMITTEE

i) Minute of the Meeting held on 3 March 2017

Mr Ken Dalton left the meeting for consideration of this agenda item.

Members noted the report of the meeting (on file, Court 16/58) and the recommendation therein for the re-appointment of Mr Ken Dalton as Non-Executive Member of Court for a second and final term of four years (to 31 July 2021). After discussion, Court approved the proposed re-appointment of Mr Dalton for the stated timeframe.

Court agreed that the Senior Governor would undertake individual appraisals of each member's performance via one-on-one meetings beginning in September. It was envisaged that this would be a collaborative and engaged two-way process, an opportunity for members to reflect on what might aid their own performance and how Court as a body might operate more effectively. It was noted that the externally-facilitated Court Effectiveness Review required by the current Code of Good HE Governance was scheduled to begin at the end of the calendar year, and that the process of individual member appraisals might usefully dovetail with that broader exercise.

Professor Monro highlighted that a draft of the revised *Scottish Code for Good HE Governance* would be issued for comment on 12 April, the details of which would be sent to Court on its release. Court members were encouraged to engage in the consultation, and it was agreed that the Vice-Principal (Governance & Planning) would collate individual responses to inform St Andrews' institutional response, which would be discussed at the May G&N meeting.

ii) Draft Ordinance: Amendment to Ordinance No.128 (Employment of Academic Staff)

Court promulgated the text of a draft Ordinance (on file, Court 16/59), the purpose of which was to update the definition of Academic Freedom currently given in Ordinance No.128, in light of the new legislative definition of the term given in the HE Governance Act 2016.

iii) Rectorial Election 2017 Timetable

Court approved the proposed timetable (on file, Court 16/60) for the Rectorial Election scheduled to take place in the autumn of 2017.

4. REMUNERATION & HUMAN RESOURCES COMMITTEE

i) Minute of the Meeting held on 3 March 2017

Members noted the report of the meeting (on file, Court 16/61).

Professor Monro highlighted the publication of the booklet *Academic Women Now: Experiences of mid-career academic women in Scotland*, which details the career pathways of female members of the Young Academy of Scotland, edited by and including a number of St Andrews staff. Mr Nigel Morecroft, Convener of the Remuneration & Human Resources Committee, reported that a future focus of the Committee would be further enhancing equality and diversity initiatives, especially the means by which Court can set the tone about positive practice in this area. It was the intention that there would be a dedicated Court discussion item on this topic at a future meeting, which was warmly welcomed by members.

Professor Andrews emphasised that the proposed application process for the forthcoming professorial salary review should be structured such as not to put off female staff, who might be more unwilling than their male counterparts to put themselves forward for formal review. The Principal noted that this issue had been discussed at the Committee, and that the application process was intended to professionalise the process through transparent application of assessment criteria.

ii) Revised Annual Report of Senior Salaries

Court noted the revised annual report (on file, Court 16/62) of senior staff salary changes approved by the Remuneration & Human Resources Committee in 2015-16.

5. ACADEMIC COUNCIL

Members noted the report of the meeting held on 8 March 2017 (on file, Court 16/63).

6. COURT OFFICE BUSINESS

Court received the report from the Executive Officer (on file, Court 16/64) detailing recent staff-related trends reported by Human Resources and other Court-related matters.

In receiving the report, Court noted the formal withdrawal of the draft Resolution (initially promulgated in January 2017) concerning the potential award of the Degree of Bachelor of Medicine and Bachelor of Surgery (MBChB), pending required legislative changes. Court also promulgated a new draft Resolution 2017 No.1 (Degree of Doctor of Medicine *Honoris Causa*).

V. ANY OTHER COMPETENT BUSINESS

It was agreed that, at the end of each Court meeting, an agenda item would be added to reflect whether any new issues should be reflected in the University's risk register, in light of Court's discussions at its meeting.

Prior to joining Court members for lunch, members were introduced to the new student sabbatical team who would be each taking up their respective positions in July.

VI. THANKS

Members joined with the Rector in warmly thanking Cllr Bryan Poole, who was not standing again at the local Council elections in May and would be thus subsequently demitting his position on Court as the Provost of Fife's Assessor.

VII. DATE OF NEXT MEETING

Friday 16 June 2017 at 10.00am.

UNIVERSITY COURT OF ST ANDREWS

AT ST ANDREWS on the 16th day of JUNE 2017 AT A MEETING OF THE COURT OF THE UNIVERSITY OF ST ANDREWS

Present: Ms Catherine Stihler, *Rector (President)*; Dame Anne Pringle, *Senior Governor*; Professor Sally Mapstone, *Principal*; Professor Garry Taylor, *Deputy Principal & Master of the United College*; Mr Adrian Greer, *Chancellor's Assessor*; Ms Charlotte Andrew, *President, Students' Association*; Mr Jack Carr, *Director of Representation, Students' Association*; Mr Dylan Bruce, *Rector's Assessor*; Mr Nigel Christie and Mr Kenneth Cochran, *General Council Assessors*; Professor Frances Andrews, Professor Sharon Ashbrook, Dr Chris Hooley and Dr Philip Roscoe, *Senate Assessors*; Mr David Stutchfield, *Non-Academic Staff Assessor*; Mr Timothy Allan, Ms Pamela Chesters, Mr Ken Dalton, Professor Stuart Monro, Mr Nigel Morecroft, Dr Mary Pople and Professor Sir David Wallace, *Non-Executive Members*.

In attendance: Mr Alastair Merrill, *Vice-Principal (Governance & Planning)*; Professor Lorna Milne, *Vice-Principal (Proctor)*; Mr Derek Watson, *Quaestor & Factor*; Professor Derek Woollins, *Vice-Principal (Research)*; Mr Andy Goor, *Finance Director*; Dr Gillian MacIntosh, *Executive Officer to the University Court*; Ms Donna Pierz-Fennell, *Non-Academic Staff Assessor Elect*; Mr Lewis Wood, *President-Elect, Students' Association*; Mr Zachary Davis, *Director of Education-Elect, Students' Association*; Mr Ben Stuart, *Director of Residential & Business Services* (for Items II, 2-3 only).

I. OPENING BUSINESS

1. WELCOME

The Rector welcomed Professor Sharon Ashbrook, who was attending her first meeting as the new Professorial Senate Assessor for the Science & Medicine constituency. A welcome was also extended to Ms Donna Pierz-Fennell, Mr Lewis Wood and Mr Zachary Davis, who were each attending as observers prior to taking up their formal Court membership term in the next academic year.

2. MEETING MINUTES

i) Minute of the Court Meeting held on 7 April 2017

The minute of the previous meeting (on file) was agreed as a correct record.

3. REPORT FROM THE PRINCIPAL

The Principal gave a verbal update to her advance written report (on file, Court 16/65), highlighting her plans for the restructuring of the Principal's Office on the terms detailed in the paper. Court endorsed the Principal's planned new appointments and changes to the portfolios of the various Principal's Office members, noting the intention that these will take effect formally from 1 August.

In discussion of her paper, Professor Mapstone highlighted the recent visit to the University of the CEO of the Wolfson Foundation, funding from which has been received to support the redevelopment of the Gatty marine laboratory. It was noted that grant applications to Wolfson for future monetary support for initiatives such as PGR student funding and further capital projects are intended, building on the generous donation already granted to the Gatty project. Court members welcomed the inclusion within the Principal's Court report of the appendix on technology transfer and commercialisation, requesting that a similar update be provided at regular intervals. Court warmly congratulated the Principal on her recent nomination to the Board of Universities UK (UUK), noting this important recognition of Professor Mapstone's standing and expertise.

In external matters, the Principal noted that the UK General Election outcome might indicate that forthcoming Brexit negotiations would be undertaken with a view to a more flexible settlement than might have been initially anticipated, with scope for further consideration as to whether student numbers will be included in any immigration targets. The Principal planned to re-engage with Mr Stephen Gethins MP, following his narrow re-election success, to continue to lobby for the University's interests to be heard.

The University's recent league table performance was welcomed, with a number of very high rankings achieved across national league tables. The slight drop of St Andrews in the *QS World Rankings* was mirrored by other peer UK institutions, reflecting the increasingly competitive nature of the global HE environment. It was reported that the planned announcement of the TEF results has been postponed from mid-June, with purdah restrictions on public announcements to continue until a new UK Government is formed. Data has however been released on graduate employment via the release of Longitudinal Education Outcome (LEO) data, which tracks the earning power of UK-domiciled graduates by subject one, three and five years after leaving university. St Andrews' graduates' prospects remain strong, with the University in the top three after one year and top five after five years. It was noted that the relationship of this data release with the still-to-be announced TEF result will be of interest.

As requested by the Principal, the Deputy Principal & Master summarised the recent academic promotions round, noting that the quality of applications was very high. 78 applications were received overall, with 29 from women. 74% of applications were successful (83% across the female applications). The revised promotions process, amended to reward excellence in teaching and pedagogy in addition to research, had worked effectively, with expanded membership of promotions panels to reflect the breadth of expertise within each discipline. It was noted that the number of applications from female members of staff, whilst improved, could be grown further if women were specifically encouraged to put themselves forward for consideration.

II. PARC BUSINESS

1. Minute of the Meeting held on 26 May 2017

Court noted the report of the meeting (on file, Court 16/66).

2. Residential Strategy

Mr Ben Stuart, Director of Residential & Business Services, joined the meeting for this and the following agenda item. In introduction, Mr Stuart outlined in broad terms the planned residential developments to be discussed at the meeting (details on file, Court 16/67). Each was aimed at increasing and improving the University's overall residential provision, with Mr Stuart noting that, in addition to the capital schemes detailed in the agenda item below, the build for Fife Park Phase 3 would complete in August 2017 and Andrew Melville Hall would shortly be closed for refurbishment until August 2018. This - combined with the other schemes - would eventually deliver c.1,000 additional beds to support the University's growth strategy. It was agreed that consideration as to whether an overall ratio of 55% residential provision (to a student population of 10,000) would take place in tandem with the planned review of overall University strategy, to determine if a more ambitious figure should be set and further residential expansion considered. It was highlighted that this might alleviate pressure on the town's limited private sector rental market (in which some accommodation is unfit for purpose) and would provide more opportunity for students to return to University-owned accommodation after their first year of study.

3. Capital Projects for Approval

Court discussed a briefing paper (on file, Court 16/68) outlining a number of property investment projects, including plans for growing the University's staff and student residential provision and development options at St Andrews West and the Eden Campus site.

Housing

The first section of the paper detailed the planned extensions to University Hall and Agnes Blackadder Hall (together the Gap Sites), the redevelopment of Albany Park and the construction of a number of affordable homes at the Grange site to the south-east of the town. Subject to receiving planning approval (Fife Council is due to determine the planning application on 29 June 2017), financial close for the Gap Sites was being targeted prior to the end of the 2017 calendar year, upon which the University would receive a capital receipt. A planning application was also being readied for submission for the redevelopment of Albany Park, with the first public consultation due to take place in St Andrews on 21 June 2017. The University also stands to benefit from a capital receipt payment once financial close is achieved on this scheme. University-led discussions with a potential contractor to deliver c.64 new homes earmarked at the Grange were also progressing, with the intention being that a planning application is submitted to Fife Council by the start of the 2017/18 academic year.

It was confirmed that in partnership with the University's student accommodation development partner, Campus Living Villages (CLV), a financial tender exercise had been conducted in order to evaluate market interest in funding the Gap Sites and Albany Park, potential funding routes available and to drive best value for

the University. The outcome of the tender exercise confirmed that income strip funding (as per Fife Park phases 2 & 3) provided an acceptable risk profile for the University to transact upon, whilst also generating the highest projected capital receipts for the University. The best priced tender return came from M&G Investments (who were also appointed as funder for both Fife Park schemes delivered with CLV). The Finance Director confirmed that the External Auditors have now agreed with the University the accounting / balance sheet treatment of the contracts, which accord to FRS102 rules.

Court approved proceeding to financial close on the Gap Sites and Albany Park with CLV on the basis of income strip funding, a similar contractual risk profile to the schemes delivered with CLV at Fife Park and with the preference of using M&G Investments as the funder for both schemes. Court also approved the University looking to CLV to explore the market for funding solutions for the Grange. Authority was delegated to the Quaestor & Factor to enter in to all relevant contracts related to the above-mentioned schemes on behalf of the University and its contracting entities. These delegated powers were granted on the basis that the University achieved similar risk profiles and contractual terms as was evidenced by the two schemes funded at Fife Park by M&G Investments and developed in partnership with CLV.

St Andrews West

Professor Garry Taylor and Mr Ken Cochran declared an interest in the agenda item on the St Andrews West proposal, and both left the meeting for the duration of Court's discussions on this topic.

Court considered a proposal for the University to buy out one of the landowner interests in the St Andrews West development consortia, to enable the agreement of a new LLP and to bring to an end legal action inhibiting the project's overall progress. The Quaestor & Factor confirmed that discussions with the respective landowner currently remained ongoing, with a view to a positive outcome being reached shortly. Court was supportive of continued dialogue with the landowner to reach final agreement. Queries raised in the relevant discussion related to the legal costs incurred thus far by the University and the tranche of 'retained' land to be held by the University as part of the strategic long-term land reserve to the west of the town.

Eden Campus

The Quaestor & Factor reported on the outcome of his recent trip to Hong Kong to meet with an alumnus regarding his offer of £10m equity investment to support innovation development at the Eden Campus site at Guardbridge. It was confirmed that agreement had now been reached to form a joint-venture company, seeded by the private equity funding that was to be made available by the alumnus, from which the University would receive a share of future distribution rights (all current Eden Campus assets would remain the University's own) and which would be a vehicle for sharing information on investment opportunities and external development partners for the site. Securing this initial investment was thought to be potentially beneficial to obtaining matched funding

from governmental sources, and it was reported that the University would continue to seek support for infrastructure investment specifically via the Tay Cities City Deal bid. It was confirmed that the £10m equity investment would initially be made available to companies seeking to invest in the three main areas of research discussed previously at Court, namely in the areas of 'green' energy, new materials, and high-performance computing.

4. Capital Projects (for information)

Members noted the briefing (on file, Court 16/69) of planned and in-train capital expenditure projects, included in which were updates on the Gatty redevelopment, Madras, new Music Centre, Younger Hall refurbishment, MUSA extension and the new Mathematics Building.

5. Capital Project Governance

The Deputy Principal & Master detailed the planned arrangements (briefing on file, Court 16/70) for a small Executive-led working group (composed of the Master, Quaestor, Mr Tim Allan and Ms Pam Chesters, with the potential addition of an external member), to review the University's approach to capital project management, its approval processes and priority of spend, and, with the Principal, the level of capacity in the senior management team and Estates. The group had recently met for the first time and would carefully review these issues over the summer months and report on their findings to Court in October. On the issue of utilising external expertise, particularly in the area of project management, the group had formulated a series of questions to put to a number of external contacts and, dependent on responses, might ask such individuals to formulate a complete report on specific areas of practice. Court members agreed that the review might also usefully analyse the inter-relationship / decision-making process between PARC and Court (which itself would be a subject of the forthcoming Court Effectiveness Review) and the required processes in place to ensure that the planned returns from capital projects are monitored post-completion. The Deputy Principal thanked members for their helpful comments in this discussion, noting that the review would seek to ascertain whether the processes around the approval and management of capital projects were both rigorous and fit-for-purpose.

6. Long-Term Borrowing Arrangements

Court considered a proposal (on file, Court 16/71) from the Finance Director to review financing and restructuring options for the University's long-term borrowing arrangements of £90m with Barclays Bank, originally set up in 2008. Options for reviewing the terms of the £30m tranche of debt (repayment of which begins in 2019) were proposed in the supporting paper.

The Senior Governor noted that the issue had been discussed at length by members the previous evening at the Court members' dinner, with a more ambitious debt restructuring proposal broadly favoured due to the generally beneficial financial environment of low interest rates. The current proposal to review only the £30m tranche of debt would improve the University's financial

position, but conservatively so. Court members were in agreement that this in itself did not match the level of ambition the University should be demonstrating, particularly after such another set of strong league table performances. Refinancing the £30m tranche plus taking on additional long-term debt **[[Part of this section has been redacted under Section 33(1)(b) (Commercial interests and the economy) of the Freedom of Information (Scotland) 2002 Act.]** would have the benefit of lessening the cost of the present debt, reduce key pinch-points in the University's long-term capital plan as it currently stands, and allow for specific investment in key areas aligned to the University's strategic direction. It was agreed that the careful planning for debt repayment in 2019 has created a useful discipline around cash management (which must continue), but it was recognised that delaying the start of the first tranche of debt repayment from the currently scheduled date of 2019 might provide some helpful flexibility in the scheduling of key capital projects, on the completion of which the University would have greater potential to generate a higher level of annual surplus in order to repay the revised borrowing commitments. It was noted that increasing the University's debt commitment did not preclude future financial gains from further residential deals and improved philanthropic income, but such a strategy would take advantage of the beneficial external environment and follow a similar path to a number of peer institutions who have undertaken similar measures to fund their own capital expenditure projects.

There was recognition that Court's 'appetite' for debt (and the upper-limit of any financing deal) had to be linked to clearly defined proposals for strategic investment, which required the completion of the Principal's Office review of the current University strategy, scheduled to be undertaken in the first half of the next academic year. The current proposal from Barclays requires an agreement for refinancing to be concluded by 30 June 2017, but there was consensus that this timeframe was unrealistic for the University to consider a more ambitious proposal than that currently put forward in the Finance Director's paper, which concentrated purely on refinancing existing long-term debt. It was agreed that the University should not be rushed in to a decision to meet this deadline, or use University cash to break the swap covering the £30m tranche before any alternative debt was in place.

After detailed discussion, Court agreed that the Principal's Office should consider the issues over the summer vacation period, prior to bringing a number of scenarios to PARC at its first meeting of the academic year in September. The Finance Director was asked meantime to continue discussions with a number of preferred Private Placement partners, to determine which would be most suitable for the University. The 'sounding-board' group of Court members established by PARC at its last meeting would continue to be available for consultation and advice to senior management as need requires.

Court gave authority to the Finance Director to complete a Private Placement deal in order to refinance the £30m tranche of Barclays debt over the summer, as per Option 1 in the proposal, with a view to seeking approval for increasing the amount of long-term debt at the October Court meeting, subject to demonstrating the strategic advantages of doing so, linked to strengthening the financial sustainability of the University.

7. Summary Financial Report for the 9 months to 30 April 2017

The Finance Director introduced the summary report (on file, Court 16/72), noting that in-year performance was as expected and on track for a positive year-end result, this likely to be ahead of plan due to a number of non-recurring gains. The lower-than-expected income on research was highlighted. The Principal confirmed that it was uncertain at present how the merger of individual research councils into a single research and innovation agency (UKRI) would impact upon the likelihood of smaller HE institutions winning an appropriate share of the large £6b pot of funding that the new body will distribute.

8. Draft Financial Plan 2017/18 to 2019/20

Court approved the Financial Plan and strategy for the next three years (on file, Court 16/73). The Finance Director confirmed that any revisions to the University's current strategic plan, in consequence of its forthcoming review, would be clearly reflected in the next iteration of the financial planning documentation.

9. Institutional Indicators Update

Members noted the report of the University's institutional performance against a number of defined targets (on file, Court 16/74). An update was provided on the University's preparations for the resubmission of the institutional Athena SWAN application by November 2017. The Principal noted that considerable work was presently underway methodically to prepare a strong application for accreditation, led by the Dean of Arts & Divinity. Meantime, the University will retain its current Bronze award during the re-application process (hence the 'amber' rating given to this specific indicator in the report). It was recommended that threshold indicators be added to this specific KPI, to clarify indicator ratings below 'green' performance.

10. Strategic Plan Update

Court noted the regular summary of ongoing activities being undertaken to implement the delivery of the University's strategic plan (on file, Court 16/75). Mr Nigel Morecroft, as Convener of the Remuneration & Human Resources Committee, highlighted the Committee's intention to provide a greater strategic focus on policies and procedures that would strengthen the HR function.

11. Business Transformation Plan

Court received the progress report (on file, Court 16/76) outlining ongoing activities (mainly within IT) for efficiency and quality improvements under the Business Transformation Plan.

12. Proposal to amend S&LAS Pension Scheme

Court approved the planned changes to the terms of the local pension scheme (details on file, Court 16/77), subject to the conclusion of the ongoing consultation process with members and Trade Unions.

13. USS Technical Provision Consultation

Members noted the anticipated timetable for the forthcoming technical provisions consultation on the USS revaluation (briefing paper on file, Court 16/78). The Vice-Principal (Governance & Planning) highlighted the expectation that the USS Trustees would call for an increase in contributions across both employers and employees, which is expected to be controversial with Trade Unions and affected staff. Formal consultation on the proposals will begin in September, and Court will receive an update at its next meeting in October.

III. REGULAR BUSINESS

1. AUDIT & RISK COMMITTEE

i) Minute of the Meeting held on 12 May 2017

Members noted the report of the meeting (on file, Court 16/79). Ms Pam Chesters, Convener of the Committee, highlighted the Committee's recent discussions on the strategic management of risk / risk appetite and its training session on cyber-security, which encompassed also the compliance actions necessary to implement the new EU General Data Protection Regulations effective from 2018.

The Committee was currently undertaking its biennial effectiveness review via a questionnaire to members, and Court members in general were invited to contact the Convener with any comments they might wish to make on the Committee's operation and its relationship with Court.

ii) Timetable for Approval of Financial Statements

Court noted the proposed timetable (on file, Court 16/80) for the approval of the 2016-17 year-end annual accounts.

iii) Risk Management Update

Court noted the update report (on file, Court 16/81) of key institutional risks.

iv) Health & Safety Assurance Group Annual Report 2015-16

Court received the annual report summarising the recent activities of the Health & Safety Assurance group (on file, Court 16/82).

2. GOVERNANCE & NOMINATIONS COMMITTEE

i) Minute of the Meeting held on 22 May 2017

Members noted the report of the meeting (on file, Court 16/83).

ii) Committee of Scottish Chairs' consultation on new Scottish Code of Good HE Governance

The Vice-Principal (Governance & Planning) introduced a briefing paper (on file, Court 16/84) outlining the proposed direction of the University's response to the current consultation on the revised draft of the *Scottish Code of Good HE Governance*. Whilst a shorter, more concise Code is welcome, it was noted that the revised draft introduces more prescription and standardisation. In addition, the requirements for frequent annual reporting of performance (some of which duplicates existing practice) risk adding to the bureaucratic burden caused by the implementation of the new HE Governance Act by 2020. Members agreed that the final draft of the revised Code must reflect the diversity of Scotland's HE sector, and thus allow each institution flexibility to operate in a manner that suits their own specific circumstances. The broad terms of the University's response as outlined in the paper were agreed. It was also agreed the University's response to the consultation would highlight the positive areas of the current draft (particularly in the areas around equality and diversity), whilst offering constructive feedback on sections where the present text could be usefully clarified and revised.

3. REMUNERATION & HUMAN RESOURCES COMMITTEE

i) Minute of the Meeting held on 22 May 2017

Members noted the report of the meeting (on file, Court 16/85).

ii) Professorial / Senior Salary Review

Court discussed and endorsed the new process (details on file, Court 16/86) for reviewing senior staff salaries. There was some concern that including 'membership of learned societies' as an indicator under the reward criteria might have the unintended effect of reducing the number of applications from women members of staff, given the present gender imbalance of a number of national academic societies. The Principal confirmed, however, that such criteria were intended to be representative rather than prescriptive, and that the process had been deliberately designed with sufficient flexibility to recognise achievement and excellence against a number of different points of reference, including indicators specific to teaching and pedagogy. The Deputy Principal noted that a review of this year's process would be undertaken by March 2018, included in which would be an assessment of the equality and diversity impact of the new procedures. The intention was that the review process would be iterative, with regular review of the criteria for each band and the number of applications made (especially to encourage those from women).

4. ACADEMIC COUNCIL

Members noted the report of the meeting held on 31 May 2017 (on file, Court 16/87).

5. COURT OFFICE BUSINESS

Court received the report from the Executive Officer (on file, Court 16/88) detailing a number of routine Court-related matters. In doing so, Court gave final approval to draft Court Resolution 2017 No.1 (Degree of Doctor of Medicine (MD) *Honoris Causa*).

IV. ANY OTHER COMPETENT BUSINESS

The Rector invited any member who wished to flag an issue for potential inclusion in the University's Risk Register to contact the Convener of the Audit & Risk Committee in the first instance.

V. THANKS

Members joined with the Rector in warmly thanking for their valued service Mr Dylan Bruce, Ms Charlotte Andrew, Mr Jack Carr, Dr Chris Hooley and Mr David Stutchfield, who were all attending their last meeting of Court, having completed their respective terms of membership.

VI. DATE OF NEXT MEETING

The next meeting, encompassing the Court Away Day, will be held on Tuesday 17 October 2017 at 10.00am.
