

COURT

In the Chair: Dame Frances Cairncross

Present also: Ms Tracey Ashworth-Davies
Ms Aashna Bakshi
Ms Lucy Conan
Professor Patrick Corbett
Mr Diarmuid Cowan
Dr Amos Haniff
Mr Grant Innes
Professor Julian Jones
Dr Amanda Lyness
Ms Morag McNeill (part)

Officer in attendance: Professor Mushtak Al-Atabi (by skype)
Ms Sue Collier
Ms Ann Marie Dalton-Pillay
Professor Gill Hogg

Others in attendance: Ms Lorna Kirkwood-Smith (minutes)

Minutes

Date of Meeting: 15 December 2017

Dr Gillian Menzies
Mr Andrew Milligan (part)
Mr Roger Murray
Professor Isabelle Perez
Ms Jandy Stevenson
Mr Tony Strachan
Professor Ian Wall
Mr Graham Watson
Professor Richard Williams

Mr Andrew Menzies
Dr Gillian Murray
Professor Garry Pender
Professor John Sawkins

M17/25 WELCOME AND ANNOUNCEMENTS

The Chair welcomed Mr Roger Murray, who was attending his first ordinary meeting of the Court.

The Court noted the recent resignation from the Court of Ms Dorothy Shepherd and the impending departure from the Court of Professor James Ritchie, who would step down from his role as Dean from the end of December 2017.

M17/26 APOLOGIES

Apologies had been received from the following members: Professor John Perkins, Professor James Ritchie and Mr Tom Stenhouse, and from Professor Ammar Kaka (invited to be in attendance).

M17/27 MINUTES OF THE PREVIOUS MEETINGS

The Court approved as accurate records the minutes of the meeting of Court held on 15 September 2017 and the notes of the Court Strategy Day discussions held on 10 November 2017.

In relation to Minute M17/11 from the 15 September meeting, a member of the Court requested that an update report on Orkney Campus Developments be provided to the Court in six months' time.

The Chair requested that an Action Log should be established for Court Strategy Day discussions to record the subsequent decisions taken on the outputs of the day.

M17/28 DECLARATION OF INTERESTS

The Chair of Court invited declarations of interest. No declarations were made.

M17/29 MATTERS ARISING

29.1 The Court was invited by the Secretary of the University to approve the proposal that the Chair of the Court should assume the position of "corporate representative", acting for the University (as "the Member") in relation to the approval of the Edinburgh Business School (EBS) Annual Report and Financial Statements for 2016/17 at the EBS Annual General Meeting on 15 December 2017.

The Court agreed that amendments should be made to *Ordinance B6: Delegation by the Court*, which will formalise the “corporate representative” role of the Chair of Court for all future years.

- 29.2 The Secretary of the University updated the Court on tender selection arrangements which were under way in relation to the commissioning of an external body to facilitate the 2017/18 five-yearly Court and Senate Effectiveness Reviews. Interviews with shortlisted parties will take place in late January 2018.
- 29.3 The Secretary of the University reminded Court members of the invitation to make approaches to appropriate individuals who may be interested to apply to be considered for a Court or Court Committee vacancy as advertised in the current recruitment campaign. The deadline for expressions of interest is 8 January 2018. A small number of applications had been received so far with a similar number of messages received from Court members and staff who had identified potentially suitable and interested candidates.
- 29.4 The Secretary of the University updated the Court on recent activities relating to the development of the new 2018-25 Strategic Plan, reporting that work was progressing with the support of Drs Tom Kennie and Alister Wilson from Ranmore Consulting.

On the recommendation of Ranmore it has been agreed to extend the period for the development and approval of the Plan a little, with a final date of December 2018, rather than September 2018. The timeline document would be revised accordingly. This change would ensure that there is sufficient time for wide consultation, and to ensure alignment of the Strategic Plan development process with proposals for re-organisation to a new College and School structure. The Court indicated its endorsement of this change.

The Secretary of the University reported that, in the meantime, Ranmore colleagues were developing an interview programme and timetables for horizon scanning and stakeholder engagement. In addition, Valerie Hallows had recently been appointed on a temporary basis to assist with the co-ordination of the Strategic Plan development process.

- 29.5 The Secretary of the University updated the Court on a matter of recent negative press coverage.
- 29.6 The Secretary of the University updated the Court on enhancements that the University is making to its safety and security measures through a new downloadable app for staff and students called *SafeZone*. The app will enable users to alert security staff for support with first aid, general security enquiries, and to summon emergency help if necessary, and will also have uses in lone-working, field trip and travel situations.
- 29.7 The Principal thanked Court members who had attended graduation ceremonies in November 2017.

M17/30 REPORT FROM THE CHAIR OF COURT

The Chair had no matters to report which were not already covered elsewhere in the agenda.

M17/31 UPDATE FROM THE PRINCIPAL (Paper Ct3/17/49)

The Court received and discussed a report, presented by the Principal, who summarised key topical items of news included in his report.

The Principal reported on the key four objectives for the year:

- first, to deliver an effectively integrated University. This would entail:- helping to ensure that the University is successful in all sites; achieving real integration; shifting from place-based planning to horizontal University-wide planning; ensuring the best use of staff and harnessing creativity, to adopt innovative digital platforms; delivering more consistent administrative processes; achieving coherence in leadership and a 24/7 mode of operation - and, subject to consultation with the Senate (and with ultimate Court approval) creating a revised College and School structure;

- second, to deliver cost savings and ensure effectiveness:- the University was close to achieving its target for cost savings and a separate paper (Paper Ct3/17/54) set out what remained to be achieved;
- third, to generate new income:- **XXX Reserved section (Ref: section 33, FOI(S)A)**; and
- fourth, to deliver a 2018-2025 institutional strategy.

XXX Reserved section (Ref: sections 30, 33 FOI(S)A).

M17/32 UPDATE FROM THE STUDENT UNION PRESIDENT (Paper Ct3/17/50)

The Court received a report on recent Student Union activities which was presented jointly by the Student Union President and the Vice-President Wellbeing. The report covered recent and ongoing academic and student wellbeing support and community development activities of the Student Union. A Court member voiced on behalf of the Court especial appreciation of the work being undertaken by the Student Union in support of student mental health.

M17/33 REPORT FROM THE SENATE (Paper Ct3/17/51)

The Court received and noted a report from the Senate which related to the meeting of the Senate held on 4 October 2017.

M17/34 DUBAI CAMPUS TRANSITION 2020 PROJECT: UPDATE (Oral report)

The Court received and discussed an oral update on the Dubai Campus Transition 2020 project which was provided by the Chair of the Dubai Non-Executive Advisory Group (DNEAG) and the Assistant Principal (International Development).

XXX Reserved section: (Ref Sections 30, 33, FOI(S)A)XXX

M17/35 DISCOVERY AND INNOVATION CENTRE: BUSINESS CASE (Paper Ct3/17/52)

The Court received and discussed an outline business case for the Discovery and Innovation Centre which was presented by the Deputy Principal (Enterprise & Business). The Court noted that, at its meeting on 23 November 2017, the Finance Committee had considered the outline business case and had endorsed it with an onward recommendation for approval relayed to the Court. The Chair of the Committee emphasised the Committee's endorsement of the ambition and vision embodied in the case presented.

XXX Reserved section (Ref: Section 30, FOI(S)A).

The Court approved the business case for the Discovery and Innovation Centre, as presented.

M17/36 NATIONAL ROBOTARIUM (EDINBURGH AND SOUTH EAST SCOTLAND CITY REGION DEAL) (Powerpoint / oral report)

The Chair of the Finance Committee reported on the endorsement of the Finance Committee (confirmed at its meeting in November 2017) of the outline case in support of the development of the National Robotarium. (Court members had received a copy of a powerpoint presentation providing details prior to the Court meeting). The Committee Chair emphasised that the Finance Committee was comfortable with the vision articulated for the project and recognised the opportunities that would arise to build on the University's research base through new high quality appointments (the talent expansion theme of the project). The Committee had noted the critical issues of project timeline and leadership and was keen to remain closely involved in terms of oversight of the further development of the business case.

XXX Reserved section (Ref: Section 33, FOI(S)A).

The Court was content to approve the outline business case for the National Robotarium, noting that a copy of the business plan template for submission to the Scottish government will be shared with the Court in January 2018.

M17/37 REPORT FROM THE UNIVERSITY EXECUTIVE (Paper Ct3/17/54)

XXX Reserved section: (Ref: Section 31 FOI(S)A).

M17/38 AUDIT AND RISK AND FINANCE COMMITTEE REPORT (Paper Ct3/17/55)

The Court received and discussed a report of the joint meeting of the Audit and Risk Committee and Finance Committees which took place on 23 November 2017 which was presented jointly by the Committee Chairs. The main purpose of the joint meeting had been to consider and approve the final draft of the Annual Accounts and Financial Statements for the year ending 31 July 2017 for onward recommendation to the Court, and to consider supplementary draft subsidiary company annual accounts and reports from the University's External Auditor. Other matters considered included the External Auditor's Audit Highlights Memorandum and Management Letter for the Heriot-Watt Group and Audit Highlights Memorandum and Management Report for Edinburgh Business School and the External Auditor Management Representation Letters.

38.1 Annual Accounts and Financial Statements and Group Management Representation Letter

The Director of Finance summarised the contents of the Annual Report and Financial Statements for the year to 31 July 2017, drawing particular attention to the consolidated statement of income and expenditure for the year, the statement of changes in reserves for the year and balance sheet and cash-flow figures. The Director clarified that (on page 24) the comprehensive income of "£2.2m" for the year would be adjusted to read "£1.7m". Court members were asked to report to the Director if they noticed any other typos in the report requiring correction.

The Court noted that, following approval by the Court, the auditors were expected to issue an unqualified audit opinion in relation the accounts and financial statements of the University and its subsidiary companies.

The Court approved the 2016/17 Annual Accounts and Financial Statements and the Group Management Representation Letter to be signed by the Chair on behalf of the Court.

M17/39 AUDIT AND RISK COMMITTEE REPORT (Paper Ct3/17/56)

The Court noted and discussed a report from the Audit and Risk Committee relating to the meeting of the Committee held on 23 November 2017. A key matter considered at the meeting, the Annual Report of the Committee was presented under separate cover (paper Ct3/17/57, below).

The Chair of the Committee drew attention to other key matters reported.

39.1 Strategic Risk Register and Overview Report

The Court endorsed the Strategic Risk Register and Overview Report dated October 2017 and noted the Operational Risk Register reports (including University and subsidiary companies' registers), which were presented to the Court as part of the annual programme of risk reporting synchronised with consideration of the Annual Report and Financial Statements.

In response to a question raised by a Court member, it was confirmed that all of the risks associated with the necessity to achieve £14m in savings had been captured in the University's Risk Register. In the early part of 2016 it had become evident that some risks were beginning to crystallise. The financial impact (required savings) had been evaluated in the latter part of that year, by which time it had become possible to quantify these with a reasonable degree of accuracy. In terms of future risk management, the Audit and Risk Committee would continue to give detailed consideration to risks; however, unforeseen significant external risks would always remain.

In response to a question about managing opportunities as well as risks, the Principal confirmed that there were identified opportunities which will require energy and resourcing on a different gradient to other projects. There was not a formalised process in place as yet for identifying and prioritising those bigger opportunities; nevertheless a group of new income generating projects in this category was currently under active development.

M17/40 ANNUAL REPORT OF THE AUDIT AND RISK COMMITTEE 2016/17 (Paper Ct3/17/57)

The Court received and noted the Annual Report for 2016/17 of the Audit and Risk Committee which was presented by the Chair of the Committee. The Court had been invited to read the report in conjunction with the report of the University's Internal Auditors and the 'Audit Highlights Memorandum and Management Report' of the External Auditor. The Court noted that the report would be submitted to the Scottish Funding Council alongside the 2016/17 Annual Accounts and Financial Statements by the end of December 2017.

In response to a question raised by a member, it was confirmed that the Internal Auditor review of Intellectual Property (IP) management had not been curtailed, but had been suspended to concentrate on the cyber-security programme. The review of IP management would resume in 2017/18.

The Committee sought and received the endorsement of the Court for the continuing appointments of the University's Internal and External Auditors for a further year, 2017-18.

M17/41 FINANCE COMMITTEE REPORT (Paper Ct3/17/58)

The Court received and noted a report from the Finance Committee which related to the meeting of the Committee held on 23 November 2017. The Discovery & Innovation Centre and the National Robotarium items were presented under separate cover and the Chair of the Committee drew attention to other items presented in the report for information. The latter included the 2017/18 first quarter Management Accounts and correlating Financial Summary Dashboard report.

41.1 Banking services Dubai

XXX Reserved section. (Ref Section 33, FOI(S)A).

41.2 Endowment Committee Terms of Reference

The Court approved proposed revisions to the Terms of Reference of the Endowment Committee which were recommended by the Finance Committee, noting that the changes reflected the Endowment Committee's expanded role and responsibilities.

The Chair of Court asked that the Endowment Committee establish a format by which the Committee shall receive periodic reports which set out clearly fundraising income generated and corresponding costs.

M17/42 STAFF COMMITTEE REPORT (Paper Ct3/17/59)

The Court received and noted a report from the Staff Committee which related to the meeting of the Committee held on 13 November 2017.

42.1 Health and Safety Policy Statement and Policy

The Court approved the University's Health & Safety Policy Statement dated September 2017 and the University Health and Safety Policy. The latter had been reviewed in accordance with the annual review cycle for the Policy and no changes had been proposed.

A Court member recommended that the Policy Statement ought to be worded in more inspirational and engaging way and the Chair of the Staff Committee agreed that she would invite the Committee to consider revised wording for the 2018 Statement.

42.2 Other matters reported for information

The Court noted the other items included in the Committee's report for information and the Annual Report for 2016/17 of the University Health and Safety Committee which was appended. The Chair of the Committee reported that the Committee would continue to maintain a watching brief on staff cost savings plans and the University Superannuation Scheme pension situation.

M17/43 GOVERNANCE AND NOMINATIONS COMMITTEE REPORT (Paper Ct3/17/60)

The Court received and discussed a report, presented by the Secretary of the University on behalf of the Committee, which related to the meeting of the Committee held on 25 October 2017. The report included a number of recommendations for consideration and approval as well as other matters reported to the Court for information.

43.1 Appointment of the Chancellor

The Court noted and approved a proposed working timeline for the selection and appointment of a new University Chancellor in succession to Dr Robert Buchan.

Court members were invited to provide their views on the person characteristics that the University should seek in its new Chancellor. Comments should be directed to the Secretary of the University.

43.2 Scottish Code of Good Higher Education Governance

The Court received and noted a report of the University's compliance with the recently published 2017 Scottish Code of Good Higher Education Governance, and measures which were yet to be put in place over the course of the coming year to achieve compliance with new provisions in the revised Code.

43.3 Report from the Constitutional Review Group

The Court received and noted a report from the Constitutional Review Group which provided an update on business progressed by the Group at its meetings held in October and December 2017.

43.4 Report from the Constitutional Review Group: membership of the Court

The Chair of the Group drew the attention of the Court to the Group's consideration of the question of the size of the Court membership. This was covered also in the main body of the report from the Governance and Nominations Committee and related to the option of increasing the maximum size of the Court membership in order to create the two future places on Court for nominated trade union members in compliance with the Higher Education Governance (Scotland) Act 2016, rather than reducing by one each the Senate and Staff elected membership categories. Following an earlier decision by the Court, the Group had agreed that the Court should be invited to consider the matter again; in the meantime the work of the Group had continued to be guided by the principle that there would be no increase in the Court membership from the current level of 25 members.

The Court discussed the pros and cons relating to an increase in the Court membership versus retaining the current level of 25. The argument for change centred on the weakening of elected academic representation when a simple measure could preserve the status quo, while the argument for no change centred on the unwieldiness that a larger membership would create when the current number is already quite high, and the potential consequence of having to increase independent lay member numbers to preserve the majority balance.

The Chair agreed to a request from a member for a vote of hands. Nine members present voted in support of the Court membership remaining unchanged at its current level and six members present voted for the membership of the Court to be increased in order to preserve the Senate and staff elected categories at their current level. The decision to retain the current level of 25 members of the Court was therefore carried.

43.5 Report from the Constitutional Review Group: review of the impact of the proposed University-wide re-organisation on the Charter and Statutes

The Chair of the Group invited and gained the approval of the Court for the remit of the Group to be extended, giving the Group additional responsibility for ensuring that the University's Charter and Statutes are amended where necessary to accommodate change resulting from the proposed University-wide re-organisation.

43.6 Charter and Statutes Review timeline

The Court noted and approved the proposed timeline for completion of the review of the Charter and Statutes and approval processes. This was set with the aim of achieving external approval of all changes by the end of 2018.

43.7 Interim Arrangements for Senate and staff elected members

The Court noted the reported view of the GNC that any transition to reduce the number of Senate and staff elected Court members (as confirmed in consequence of the decision in Minute 43.4, above), should be managed through a non-statutory change involving a voluntary agreement that one member in each category steps down from their membership position early to enable two places to be taken up by trade union nominated members at the appropriate time.

43.8 Court and Court Committee Attendance and Participation policy

The Court noted and approved proposed revisions to the Court and Court Committee Attendance and Participation policy. The Court also noted comments made by individual members on related matters which should be kept under active consideration:

- IT investment to improve the quality and functionality of video links;
- other applications which provide video/sound functions besides Skype
- not all rooms are IT-equipped to the same degree, this needs to be borne in mind when planning meeting venues;
- reducing carbon footprint through less physical travel to meetings would also be a positive step; and
- legal and compliance issues affecting certain overseas locations.

43.9 Court schedule of meetings

The Court noted and approved for implementation from 2019 a proposed revised pattern of Court meetings in the year which had been approved by the GNC. The new schedule will be based on a calendar year rather than an academic year, would include an additional meeting held in January/early February each year (if necessary) and will incorporate an annual public stakeholder engagement meeting each year in compliance with the provisions of the 2017 Scottish Code of Good Higher Education Governance.

The Secretary of the University agreed to circulate confirmation of the Court schedule of meeting dates to members in the near future.

43.10 Court Standing Orders

The Court approved proposed minor modifications to the Standing Orders of the Court for immediate implementation. It was noted that a more substantial review of the Standing Orders will take place in 2018 in the light of changes made to the University's Charter, Statutes and Ordinances in the coming year.

43.11 Ordinances and Regulations Committee

The Court approved recommended minor revisions to the Terms of Reference of the Ordinances and Regulations Committee to clarify that the Chair shall not be an ex-officio member of the Committee.

43.12 Lobbying Register

In response to a question raised by a Court member, the Secretary of the University advised that information on the lobbying register proposed by the Scottish government following enactment of the Lobbying (Scotland) Act 2016 would be presented for discussion at a forthcoming meeting of the Governance & Nominations Committee.

43.13 Election of Deans

The Secretary of the University updated the Court on the recently concluded election to appoint two Deans. The University's elected three Deans now include Dr Scott Arthur, Dr Fadi Ghaith and Dr Amos Haniff and the next step will be to arrange an election to appoint a Dean on to the membership of the Court, following the departure from the Court membership of Professor James Ritchie at the end of December 2017.

M17/44 REPORT FROM THE COURT EMERGENCY COMMITTEE (Paper Ct3/17/62)

The Court received and noted a report from the Court Emergency Committee which related to:

- an item of business dealt with on 6 October 2017, seeking approval of the University's submission to a Universities UK (UUK) consultation on the technical assumptions underpinning the 2017 Universities Superannuation Scheme (USS) valuation. The University's response contributed to UUK's single sectoral response to the USS consultation.
- an item of business dealt with on 9 November 2017. The Committee on behalf of the Court endorsed the appointment of Mr Roger Murray as the member of the Court elected by the Graduates' Association. The appointment ran with immediate effect for a period of three years until 31 July 2020. The Committee also endorsed the election of Mr Donald Lawson as the "alternate" allowable within the current provisions of *Statute 4: The Court*.

M17/45 COURT ROLLING PROGRAMME OF BUSINESS (Paper Ct3/17/63)

The Court received and noted a report of its rolling programme of forward business, updated as at December 2017.

M17/46 FORTHCOMING EVENTS (Paper Ct3/17/64)

The Court noted a report of forthcoming University events of potential interest to Court members, which was presented by the Secretary of the University.

M17/47 REPORT FROM THE GLOBAL STUDENT LIAISON COMMITTEE (Paper Ct3/17/65)

The Court received and noted a report from the Global Student Liaison Committee which related to the meeting of the Committee held on 30 October 2017.

M17/48 ANNUAL REPORT OF UNIVERSITY COMPLAINTS 2016/17 (Paper Ct3/17/66)

The Court received and noted a summary report of complaints received by the University in the year 2016/17, noting that the Scottish Public Services Ombudsman (SPSO) required that university governing bodies and the SPSO receive an annual report on complaints dealt with under the agreed Complaints Policy in force.

In relation to the summary report of lessons learned from complaints received in the year, the Court requested that future annual reports should clarify which changes arising from lessons learned have already been implemented by the time of reporting.

M17/49 OBITUARY (Paper Ct3/17/67)

The Court noted with sadness the report of the recent death of Professor Emeritus David John Manners.

M17/50 ANY OTHER BUSINESS

50.1 Appointment of Honorary Chaplains

The Court approved the following appointments with immediate effect:

- Fr Ian Wilson, as honorary Roman Catholic Chaplain at the Edinburgh Campus; and
- The Rev John Butterfield, as Honorary Chaplain at the Orkney Campus.

The President of the Student Union voiced the view that the University should work harder to bring a wider group of faiths into the group of honorary positions and to consider a change of title(s) which reflect such a change.

M17/51 DATE OF NEXT MEETING

The next meeting of the Court will take place on 23 February 2018.

Date

Signature