

MINUTES OF UNIVERSITY COURT
2 March 2017

Present: Richard Hunter (Convener), Ronnie Cleland, Dr Jane Morgan, Malcolm Roughead, Gillian Hastings, Dr Jack Perry, Kerry Alexander, Dr Archie Bethel, Susan Kelly, Councillor Stephen Curran, Principal Professor Sir Jim McDonald, Vice-Principal Professor Scott MacGregor, Dr Veena O'Halloran, Dr Jonathan Delafield-Butt, Dr Andrew McLaren, Professor Erling Riis, Dr Dimitris Andriosopoulos, Louise McKean, Raj Jeyaraj, Gerry McDonnell, Dr Alistair Goldsmith

Attending: David Coyle, Professor David Littlejohn, Professor David Hillier, Professor Dimitris Drikakis, Professor Douglas Brodie, Professor Sara Carter, Professor Tim Bedford, Rona Smith, Sandra Heidinger, Ray McHugh, Stella Matko, Dr Stuart Brough, Darren Thompson

Apologies: Alison Culpan, Marion Venman, Dr Jeremy Beeton

Welcome and apologies

The Convener noted apologies received and welcomed members of Court and attendees.

Court members noted the recent departure of Hugh Hall, Chief Operating Officer (COO) to assume the position of Principal at Fife College. Court recorded its considerable appreciation for Mr Hall's significant contribution to the University and wished him good luck in his new role.

There were no declarations of interest.

1. Minutes

Court **approved** the minutes of the meeting held on 24 November 2016.

2. Matters arising

There were no matters arising.

3. Principal's Report

The Principal informed members of key activities and developments since the November meeting:

SFC Indicative Funding Allocations: the Scottish Funding Council (SFC) had recently announced its 2017/18 indicative funding allocations. These allocations would be confirmed in April, subject to agreement of the Scottish Budget Bill by the Scottish Parliament and finalisation and agreement of universities' Outcome Agreements. The University's share of the sector grants announced was slightly higher than in previous years and above the sector average.

Reconfiguring senior officer responsibilities: with the departure of the COO, the Principal had taken the opportunity to reflect on and reconfigure the senior leadership of Professional Services areas. The Executive Team had discussed and agreed proposals to discontinue the COO role, whilst retaining and enhancing the University Secretary role and creating a new senior officer position for a Chief Commercial Officer. The relevant Court office-holders would be engaged in the required recruitment processes, in line with Staff Appointment Protocols.

Research Excellence Framework: the University was currently finalising its draft response to the UK Funding Councils' consultation on the second Research Excellence Framework (REF). The University was considering its position on a range of key issues, including those relating to the portability of research outputs and the number of outputs per staff member. It was noted that strategic investment in top academic talent would continue to be a priority for the University.

Teaching Excellence Framework: Court noted that, following detailed consideration by the University's Education Strategy Committee, the Executive Team had approved a recommendation not to participate in the UK-wide 2017/18 Teaching Excellence Framework. The University would continue to engage with sector-wide discussions and the question of participation would be revisited ahead of the deadline for opting into arrangements for 2018/19. It was noted that participation was voluntary and that the majority of Scottish institutions had opted not to participate in 2017/18.

Enterprise and Skills Review: Court noted developments in relation to the Scottish Government's Enterprise and Skills Review and that the university sector continued to be represented in discussions.

Major Projects: Court noted on-going developments concerning a number of major projects.

Academic staff recruitment: the University had recently approved offers to twenty-one candidates under the Strathclyde Chancellors Fellowship Scheme. Additional strategic recruitment activity was being pursued under the University's Global Talent Attraction Programme.

Widening Access: Court noted the University's continuing high performance in attracting applicants from widening access backgrounds and the increasing focus by Scottish Government on applicants from the highest deprivation quintile. An invite had been issued to the recently appointed Commissioner for Fair Access to visit the University and discuss activity in this area.

4. Estates Developments

a. Advanced Forming Research Centre (AFRC) – Extension Project

The AFRC Projects Director presented a proposal for the physical expansion of the current AFRC facility in order to house the planned Future Forge Facility. Court's formal homologation was sought, following Convener's Action, for the advancement of the project. Convener's Action had been required to allow the AFRC to indicate acceptance, in principle, of external funding from Scottish Enterprise (£1.8M) and the High Value Manufacturing Catapult (£4.3M) to cover the full capital costs of the expansion project. It had also allowed the AFRC to indicate acceptance, in principle, of a further grant from the Aerospace Technology Institute (£6.6M) to fund the capital purchase of equipment that would support the AFRC in realising its strategic ambitions over the next ten years.

Court discussed the capital investment proposal and noted the relatively small level of contingency funding included within the proposal and the need for clarity on responsibility for the potential costs of any unexpected project overrun. It was noted that, whilst the risk was minimal due to the level of familiarity with the proposed site, any overspend could be covered from future revenues generated by AFRC, which was a self-funding entity. In addition, the external funders would be approached in the event of any projected overspend. It was agreed that this position should be confirmed by the Director of Estates Services and communicated to Court.

Following further discussion, it was confirmed that any risks relating to the design and specification of the Future Forge Capability's isothermal hydraulic press would rest with the manufacturer. The end result would be the delivery of a unique and distinctive academic capability. Court welcomed an offer from an experienced lay member to review the specification and design of the press and the AFRC Projects Director would follow-up on this.

Court welcomed the proposed development, noting its key strategic value in supporting plans for the future upscaling of related activity. Members **agreed** to formally homologate the Convener's Action taken to endorse the proposal.

b. John Anderson Building – external improvements

The Director of Estates Services presented proposals to undertake external improvements, including over-cladding, to the John Anderson Building. It was highlighted that the recommended option would deliver a range of functional, aesthetic and sustainability benefits. The recommended option also offered the best value for money. Due to the overall value of the maintenance works required, it was appropriate to seek Court's approval, in line with the Schedule of Delegated Authority.

Court noted previous discussions and endorsement of the recommended option by the Estates Committee, Executive Team, and the Court Business Group. Court **approved** the recommendation to proceed with *Option 3: Over-cladding Solution*, at a total estimated inclusive cost of £2.5M, as detailed within the paper.

c. The Place – Business Case

The Director of Student Experience and Enhancement Services, the Associate Principal (Learning & Teaching), and the Director of Estates Services presented a final Business Case for The Place Teaching and Learning Project. Following earlier consideration by Court on 24 November 2016 of a draft Business Case, the final proposals had been enhanced to highlight the key pedagogical developments being pursued in conjunction with the project.

In considering the final Business Case, Court noted the criticality of the project to delivering the University's ambitions for future growth, supporting its learning and teaching strategies, and delivering wider benefits for the University estate. During discussion, the following key points were noted:

- the potential for campus disruption as a result of this project and other estates development activity. The Executive Team was particularly attuned to this and had commissioned the development of a decant and impact minimisation strategy to fully consider and mitigate the potential impacts upon students, staff and stakeholders;
- the need to consider, in general, the collective aesthetic impact of campus building developments alongside the existing estate and, in particular, to make clear if there is a goal to achieve either homogeneity or diversity in the appearance of buildings;
- the strong support expressed for the proposed development by the Students Association and by the student body more widely. This was evident from the detailed student engagement process undertaken so far, which would continue throughout the design and implementation stages; and
- the challenge in identifying and measuring the tangible benefits and success of the project, notwithstanding the recognition of its criticality to the University's strategic growth.

Following discussion, Court **approved** the recommendation to proceed with *Option 2: Redevelopment of the Colville and former Architecture Buildings*, including a budget allocation of £60M.

5. Q2 Business Report 2016/17

The Chief Financial Officer (CFO) and the Director of Strategy and Policy introduced the Q2 Business Report 2016-17.

Court noted and discussed the level of performance across the range of areas outlined in the Report. Particular areas highlighted included:

- the presentational changes to budget and forecast figures arising from the implementation of new accounting requirements and the resulting increased importance of net cash generation as a measure of financial performance;
- actions taken in the previous quarters, through the Executive Team's 'stage-gating' process, to deliver a positive Q2 operating outturn;
- the continued focus on income generation to deliver targeted surpluses, whilst recognising that increased income generates corresponding increases in expenditure;
- higher than anticipated cash balances due largely to re-profiling of expenditure on fixed assets;
- the University's risk-based approach to the investment of cash reserves, in line with the Court-approved Treasury Management Policy;

- a forecasted shortfall in postgraduate research (PGR) intakes against stretch targets, the factors contributing to this and in-year actions underway to improve the position; and
- continued positive trajectories on widening access entrants, whilst maintaining entry standards.

6. Strategic Plan 2015-2020 – mid-year progress report

The Director of Strategy and Policy presented a mid-year progress report on the key performance indicators contained within the Strategic Plan. Members welcomed the report, noting the positive progress achieved against a range of measures. It was confirmed that circulation of the mid-year progress report was internal to the University.

7. Outcome Agreement 2017-2020

The Director of Strategy and Policy introduced a final draft of the University's new three-year Outcome Agreement for Court's consideration and approval, prior to submission to the SFC. Court was invited, in particular, to consider a number of potential additional measures which were aligned with the SFC's national measures and for which there were no corresponding KPIs within the University's Strategic Plan.

Court discussed the final draft Outcome Agreement and noted the following key points:

- the document should include reference to the University's focus on a Business Improvement approach to delivering improved sustainability, efficiency, and effectiveness; and
- the measures highlighted at the end of the document should fully reflect all measures included within the narrative.

Subject to these minor revisions, Court **approved** the University's new three-year Outcome Agreement for submission to the SFC.

Items for formal approval

8. Convener's Actions

Members **homologated** the following actions undertaken by the Convener of Court since the last meeting on 24 November 2016:

- Appointment of Acting Chief Operating Officer
- Approval of Advanced Forming Research Centre Building Extension Proposals (homologated by Court under Item 4a above)

9. Externally-facilitated Review of Court Effectiveness

Court **noted** and **approved** the intended approach to undertaking an externally facilitated review of effectiveness, including the Terms of Reference for this review. The agreed Steering Group would finalise and agree the arrangements for external facilitation.

10. Proposed amendments to Charter and Statutes

Court **noted** draft minor amendments to the University's Royal Charter and Statutes and **endorsed** the proposed approach. Court also noted the intention to consult with the University Senate on the proposed changes and seek a formal resolution of Court in May, prior to seeking approval from the Privy Council Office.

Items for information

11. Technology & Innovation Centre Update

Court **noted** the progress set out in the paper and the agreement by Court Business Group that future reporting would be 'mainstreamed' and appropriately focused on broad deliverables.

12. Implementation of Review of Alumni Engagement

Court **noted** the paper and welcomed the intended next steps in progressing implementation of the recommendations of the Review of Alumni Engagement, originally approved by Court in February 2013.

The Convener of Court invited members to applaud the Graduates Association for its charitable efforts and for its representatives' engagement with Court over a number of years. Court instructed that the University should now take forward the full implementation of the recommendations of the Review of Alumni Engagement, working with representatives of the Graduates Association, as appropriate.

The Graduates Association representative welcomed the level of clarity offered and noted the intention to now take forward implementation of the recommendations of the Review of Alumni Engagement, including the cessation of the Association's direct representation on the University Court.

In discussion, it was suggested that the University should consider additional opportunities for engagement between Court members, senior officers, and representatives of the University's global alumni groups.

Committee Reports

Court received and **noted** the following committee reports:

13. Senate

Court noted:

- that Senate had been duly consulted on the appointment of David Coyle as 'Chief Financial Officer and Acting Chief Operating Officer';
- the findings and recommendations from a recent Consultation on the Role of Senate which had offered an opportunity for Senate to consider and review its effectiveness; and
- that Senate had welcomed the appointment of Dame Sue Bruce as Convener of Court, from 1 August 2017, and expressed its thanks to the outgoing Convener, Mr Richard Hunter, whose term of office would end on 31 July 2017.

14. Executive Team

15. Court Business Group

16. Court Membership Group

Court **approved** the following recommendations made by the Court Membership Group:

- that Gillian Hastings be appointed as Treasurer with effect from 1 August 2017;
- that University Ordinances be amended to align the protocols applied to the Treasurer's term of office with those of the Convener and Vice-Convener, subject to consultation with Senate; and
- the introduction of an objective that, in future, one third of lay members on Court should be alumni of the University.

Court **noted**:

- that Court Membership Group had approved the launch of an external recruitment exercise to identify suitable lay member candidates. Court members were encouraged to raise awareness of the opportunity more widely.

17. Audit Committee

18. Estates Committee

Court noted the following recommendations from the Estates Committee already **approved** as items of substantive business:

- an investment of £6.2 million to build an extension to the Advanced Forming Research Centre (approved as Item 4a, above);

- the redevelopment of the Colville and Architecture buildings to deliver the Teaching & Learning Project at a cost of £60 million (approved as Item 4c, above)

19. Staff Committee

20. Enterprise & Investment Committee

Court requested that an annual report on the activities of the Enterprise & Investment Committee be provided.

21. Any other business

- Edinburgh School Closures Report: Court noted the recent publication of an independent report into the closure of 17 Edinburgh schools. The University was considering the full range of recommendations to assess their potential relevance to the current estate and identify any potential actions required. Court was assured that a report would be provided to the Executive Team in due course.

Date of next meeting

- Thursday 4 May 2017

DT, March 2017