

Draft Subject to Approval by the University Court at the meeting of 21 October 2022

UNIVERSITY COURT OF ST ANDREWS

AT St Andrews on the 10th day of June 2022 AT A MEETING OF THE COURT OF THE UNIVERSITY OF ST ANDREWS

Present: Professor Stuart Monroe, *Acting Senior Lay Member* (presiding); Professor Sally Mapstone, *Principal*; Mr Adrian Greer *Deputy Chair of Court and Chancellor's Assessor*; Ms Stella Maris, *Rector's Assessor*; Mr Iain Anderson, Mr Jonathan Hewitt, *General Council Assessors*; Professor Mark Harris, Professor Sharon Ashbrook, Dr Derek Ball; and Dr Morven Shearer, *Senate Assessors*; Dr Lorna Dargan, *Non-Academic Staff Assessor*; Dr Malcolm Petrie, Mr Alex Duncan, *Trade Union Nominees*; Ms Leonie Malin, *Director of Education, Students' Association*; Mr Tim Allan, Ms Alison Johns, Mr Frank MacInnis, Ms Jenny Stewart, *Non-executive Members*.

In regular attendance: Professor Brad MacKay, *Senior Vice-Principal International Strategy and External Relations*; Mr Derek Watson, *Quaestor and Factor*; Professor Clare Peddie, *Vice-Principal Education (Proctor)*; Professor Tom Brown, *Vice-Principal Research and Innovation*; Professor Katie Stevenson, *Vice-Principal Collections, Music and Digital Content*. Mr Alastair Merrill, *Vice-Principal Governance*; Mr Andy Goor, *Chief Financial Officer*; Ms Ester Ruskuc, *Director of Strategy and Policy*,

In attendance: Mr Niall Scott, *Director of Corporate Communications (advisory capacity)*; Ms Clea Russell, *Court Office* (as deputy for Clerk).

Observers: Sabbatical Officer of the Students' Association (elect)

Juan Rodriguez, President

Senate Assessors (elect), Arts and Divinity Constituency

Professor Catherine O'Leary

Dr Stephen Tyre.

Apologies: Dr Leyla Hussein, *Rector*; Professor Lorna Milne, *Master of the United College and Deputy Principal* Cllr Altany Craik, *Provost of Fife's Assessor*; Ms Lottie Doherty, *President, Students' Association*; Ms Eve McCurrich, Professor Anu Ojha, *Non-executive Members*, Ms Margaret Sinclair, *Executive Officer to the University Court and Senate*: AK Schott, *Director of Education Students' Association (elect)*.

PRELIMINARIES

The Acting Senior Lay member formally opened the meeting, commenting on the real value of the resumption of in-person meetings and of the opportunities for discussion afforded by the Pre-Court dinner.

WELCOME and FAREWELLS

The Acting Senior Lay Member welcomed all attendees and observers and noted apologies.

This was the last meeting of Court to be attended by Professor Mark Harris and Dr Derek Ball; for the Vice-Principal Collections, Music and Digital Content, and the outgoing Sabbatical Officers. Court joined with the Acting Senior Lay Member to thank them for their contributions to Court, and to wish them well for the future.

Congratulations were extended to the Principal who had received a Damehood in the Queen's Birthday Honours list. It was also acknowledged that three MBEs were awarded in the same list to colleagues within the University and Court extended congratulations to these recipients.

STARRING OF ITEMS

Members noted those items currently starred on the Agenda. No additional items were starred.

DECLARATION OF INTEREST

No Declarations of Interest were intimated.

I. OPENING BUSINESS

1. Meeting minutes

i) Minute of the Court Meeting held on 15 April 2022

Subject to the amendment item 16(ii) to note that Court had considered inflation in discussion of the risk register; and Item 17(ii) to note that Court had recognised the importance of an obtaining an external perspective on the Court effectiveness review, the minute of the Court meeting held on 15 April 2022 (on file, Minutes 2021-2022 No.3, pp 30-39) was agreed as a correct record.

2. Matters Arising

i) Court Order of Business

The Acting Senior Lay Member explained that the agenda for Court meetings had been reordered to ensure that sufficient time is allowed in the meeting for the discussion and review of key items of business. This was to address concerns which had been raised at the last meeting of Court, relating to the management of time at Court meetings, and had also been highlighted in the scoping exercise for the Court Effectiveness Review. The intention was to ensure sufficient time to allow Court Members to look at issues comprehensively in order to fulfil the duties of effective oversight required of them as Trustees. The order

of business will be kept under review and adjustments made if necessary to ensure that an appropriate balance of business is maintained.

ii) Pay and Pensions Update

The Vice-Principal Governance provided a verbal update on developments since the last formal meeting of Court.

- UCEA have tabled a final offer for 2022/23 with an overall pay bill uplift of 3.18%. There will be an uplift of up to 9% for staff on the lowest spine points, and 3% for staff on or above spine point 20.
- Unison have rejected the offer and invoked the New JNCHES dispute procedure. UCU discussed the offer at their HE sector conference on 2 June, but their formal response is not expected until July. Unite are still consulting branches.
- The New JNCHES dispute resolution process requires two formal meetings and allows for a further meeting with ACAS assistance if both sides agree.
- It remains unclear whether, or when, UCU may announce further industrial action activities. The announcement of a marking and assessment boycott at St Andrews was withdrawn shortly before it was due to commence, although the boycott still took place in some 20 institutions across the UK. UCU's June HE Sector conference passed resolutions calling for fresh ballots for industrial action to continue the mandate into spring 2023. These would be aggregated which means that the 50% turnout threshold would apply to the entire voting membership. UCU's Higher Education Committee is meeting on 1 July to consider the conference resolutions.
- The most recent monthly snapshot for USS indicated that the healthier financial position indicated in February has continued into March, with a much-reduced deficit down to £1.6 billion. It should be noted, however, that the Trustee has made it clear that this improved position results directly from the benefit reforms introduced at the beginning of April, without which, regardless of the size of the deficit, contribution rates would be required in excess of 36% (currently 24.7%) for future benefits alone, with deficit recovery costs in addition.
- A joint UCU, UUK and USS working group has now started to look at lower cost options, and more information should be available by June. UCU have yet to agree to be involved in the workstream on alternative scheme designs and conditional indexation; and more information is expected to be heard about plans for the review of scheme governance in the coming weeks.

Responding to a question on modelling for the impact of the reduced deficit and arrangements in place to manage this, Court received confirmation that arrangements are in place for the next 5 years to address this and are detailed in the financial plan (see PARC business, item 9 below). It was also noted that the reduction in the size of the deficit, although large, was well within normal market fluctuations.

Court noted the update.

3. Report from the Principal

(i) Written

Court received the Principal's written report (on file, Court/21/77) which provided an update to Court on recent events, activities and general University news. Court noted its contents.

(ii) Verbal report and update

The Principal provided a verbal report to Court on a number of matters as detailed below.

- **Graduation:** Court noted that preparations are underway for the three weeks of Graduation ceremonies during which 5,000 students will graduate. The Principal commended the many teams responsible for the planning and logistics of these ceremonies, including those working on the Younger Hall.
- **ScotGEM:** The first cohort of ScotGEM students will be graduating. Staff and students from Dundee University have been invited to the occasion and a mace from Dundee University will be incorporated into the procession.
- **Honorary Graduates:** Those honoured include Dame Ann Pringle (former Senior Governor of the University Court), Lord Sedwill, Dr Fiona Hill, Sir Kenny Dalglish, and King Creosote. After the graduations are complete there will be the 150th Open Championship followed by the Golf Graduation at which there will be a number of Honorary Degrees conferred on esteemed golfers and Jack Nicklaus will be made an Honorary Citizen of St Andrews.
- **Staffing:** Court noted that there are currently staff shortages in a number of areas.
- **Bonn:** As referenced in her written report, the Principal led a delegation of PO members and academic staff to the University of Bonn in May. The trip had proved successful and confirmed the excellent relationship which is perceived to be strategic on both sides. The deepening of partnership activity and collaboration includes the potential for shared appointments.
- **REF:** The Principal highlighted that Research Excellence Framework (REF) is a major item on the agenda. The University is taking a strategic perspective and planning for future investment in people and infrastructure. There is a need to be cognisant about why an increase in the University's research performance does not equate to an increase in tabular rankings or why an increase in REF does not translate in to ranking or on the University's Research Excellence Grants (REG) return.
- **QS Rankings:** Paragraph 9 of the report refers. St Andrews retained its place in the top 100 universities, and it is in the top 7% ranked by QA across the world. The University moved from 91 to 96 which indicates a

strong performance given the metrics that are used to determine QS which are unfavourable to universities such as St Andrews.

With the exception of Edinburgh, all Scottish HEIs dropped in rank. St Andrews' drop in rank was primarily due to a drop in academic reputation and citations in Faculty, despite in both cases increases in the scores that affect those metrics. This was because although the University's score increased, the global median increased further. Analysis and hard work continues in this area.

- **Philanthropy:** The Principal updated Court on her recent visit to the USA, and on the feedback and indications of support that had come from the various meetings and engagements, including significant philanthropic donations.

The Principal and members of the Executive Team answered questions from members on funding (the outcome of the Scottish Government spending review was disappointing. The flat cap translates into real term reductions. This issue would be a key priority when the Principal becomes Convenor of Universities Scotland in August); the Handsel Scheme (which has proved extremely valuable in recruiting the best overseas students); the different approaches to calculating international rankings (where the University focused on QS and Times Higher); and plans for methods of assessment (where the Covid pandemic had developed our ability to assess work in different ways, and Schools were making decisions at the module level on the most appropriate method of assessment, whether in-person or on-line exam, or continuous assessment).

4. Strategy Refresh Update

The DoSP presented the paper (on file, Court/21/78) which provided Court members with a regular update on the process of refreshing the University Strategy and contained the latest drafts of the Strategy pillar texts at Annex.

The next stage of development would be to draft an introductory section positioning the whole plan and addressing the intersectionalities between the different pillars. Much engagement had already taken place with particular groups of staff and students; further consultation with Heads of School and Service Directors, and with the whole community, would take place before the strategy was finalised.

The paper sparked discussion on a number of issues including the construction and content of the different pillars; social responsibility; social accountability; strategy perspective; language used within the pillars; and the consultation process with various stakeholders, including students.

The DoSP thanked Court members for their engagement with the process and the suggestions articulated, and confirmed that suggestions and comments would, as relevant, be reflected in the final document. Court was invited to send

any further specific comments directly to the DoSP. The intention remained to seek Court approval of the final draft strategy at its October meeting.

II. PARC BUSINESS

5. Minute of the Meeting held on 19 May 2022

Members received the minute of the meeting (on file, Court/21/79).

6. Projects for Approval

The Quaestor presented the paper (on file, Court/21/80 (a, b)).

Court noted that PARC, at its meeting of May, had approved the requests for approval and funding as detailed in the paper relating to:

Court/21/80a. - Main Library

Court/21/80 b – Grange Road

- **Main Library:** Court had, at its meeting 15 April, delegated authority to PARC members to approve this project (subject to alignment with the agreed scope and budget to a tolerance of +10%). Extreme volatility in the mechanical and electrical market had returned higher than anticipated tender returns, increasing the projected cost beyond the OBC approved budget. Following a value engineering exercise, the project board SAMC recommended the removal of the café works entirely from the project; this simplifies the overall project schedule and reduces cost. Further agreed changes will reduce the cost to bring the project closer to the agreed budget (although with reduced scope). Work will continue through next semester.
- **Grange Road:** Members noted the update commenting on the satisfactory resolution of the current issues with SSE/SPEN. Members also received confirmation that the SPV agreement entered into with CLV followed the same model as has been in operation previously, and that the duration of the SPB (15 years) was not unusual.

7. Projects for Information

Court received the Projects for Information paper (on file, Court/21/81) which provided a summary of in-train and planned capital projects. The Appendices to the summary included updates on the following: Eden Campus Professional Services Relocation; Bat Colony; BMS Reinstatement and Modernisation; Eden Campus; Younger Hall Refurbishment; Learning and Teaching Commons Butts Wynd/OD Refurbishment; Purdie Labs 322-324; St Andrews West; Albany Park; Student Residences – Gap Site 3; North Haugh Hub; Kenly Wind Farm; New North Haugh Building and New College

The Quaestor provided a further verbal update on the Albany Park Project and on the progress of negotiations with CLV. The Quaestor highlighted certain key points:

- The original timescale for the project will now not be sufficient and the original timescale for the project will be extended.
- There has been significant engagement from the leadership of CLV, including by their Global Chief Executive, and an Australian construction expert who has been assigned to this project. CLV have been given 6 months to develop and implement an action plan.
- CLV have agreed to work through a detailed design, to simplify the project, to lower the cost and to create more than 600 beds.
- The options afforded by Gap Site 3, which will accommodate 148 beds with an expected completion date of November/December 2022, are being considered, as is the feasibility of switching from catered to self-catered accommodation.

The Quaestor answered questions from members on affordability and the accommodation strategy overall.

Members commended the Quaestor for the robust approach which had brought CLV back into negotiations and the progress made, which indicated that CLV still had a strong appetite to find a viable solution and to maintain a relationship with the University.

8. Summary Financial report to 31 April 2022

Members received the report (on file, Court/21/82) which provided a summary of the University's financial position as at 31 April 2022.

The Chief Financial Officer answered questions on the impact of inflation as well as the general volatility in the market.

9. University Financial Plan 2022/3-2023-24

The Chief Financial Officer presented the paper (on file, Court/21/83) which presented the draft Financial Plan for the next three years, including the latest Capital Investment Plan covering the same time period.

The plan presents a challenging picture looking forward. The stable recurring surplus position post the Covid pandemic had been significantly impacted due to the unprecedented increases in inflationary pressures. Thus, the financial benefits from the growth in student numbers and delivery of substantial savings in response to the impact of Covid have been swallowed up by inflation, with no support from the UK or Scottish Governments.

The inability of the University to influence the core drivers of inflation meant the impact cannot be easily managed, certainly in the short term. However, continuing high student retention numbers and strong application numbers across all cohorts of students provided confidence in the University's continued attractiveness to the student market, which is key as we look to expand our reach into the digital sphere.

Last year a three-year recurring surplus had been anticipated; however, the draft Financial Plan delivers a small deficit in 2022/23 before moving into a small surplus across the following two years, based on a set of assumptions across both income and expenditure headings.

Members asked questions on the rationale behind the deficit figure for 2022/23 and the drivers for, and circumstances surrounding, the calculation of the figures, including the challenges faced by inflationary pressures; salaries; inflation on utilities; and the current global economic circumstance, which are extreme and not sustainable. PARC had questioned whether the assumptions made (including income projections) had been unduly cautious and received confirmation that they were prudent and based on a balanced and measured view on what was realistic and deliverable over the coming year given the number of variables to be considered, including inflation, risk, debt financing the process for setting fees and plans for Digital. Court Members indicated that they were content with the deficit budget on that basis, noting that the forecast deficit for the next financial year did not impact on longer term confidence.

10. Capital Plan Discussion Paper

The Quaestor presented the paper (on file, Court/21/84), tabled for information and discussion.

The paper detailed the scale and nature of the University's ambition, which was unprecedented. The paper had been presented to PARC to facilitate discussion of the ways the University may wish to fund capital investment over the coming 10 years and on acceptable routes for action. Court discussed the paper in depth.

Members commented that access to debt was unlikely to improve in the future, endorsed the ambition and vision set out in the paper, and supported the proposal to move the basis of the valuation in preparation for approaching the funding market. Court noted that the plans would necessitate an increased level of debt and that PARC would give detailed consideration to the most appropriate solutions for long term debt. In this regard, Court supported the proposal to establish the *Task and Finish Groups* to provide advice to PARC referenced in the paper, noting that these would not be formal committees nor part of the recognised Court sub-structure, but rather temporary informal advisory groups that will draw on the expertise available from particular Court members, to provide PARC with advice (i) to support its deliberations on the options for, and agreement of, increased debt facilities; and (ii) to allow for a more detailed periodic review of the Capital Investment Plan.

11. Institutional Indicators Update

Members noted the report (on file, Court/21/85) which contained the regular update on strategic performance indicators presented to PARC.

It was confirmed that the indicator on fundraising (KPI 3 - Global, 3.3) was updated on an annual basis only.

II REGULAR BUSINESS

12. Audit and Risk Committee

Jonathan Hewitt, Convenor of the Audit and Risk Committee (ARC) presented the minutes of the ARC November meeting and summarised the main business considered at that meeting.

(i) Minutes of the Meetings held on 12 May 2022

Members noted the report of the meeting (on file, Court/21/86). The Convenor highlighted the report received from the FOI and data protection team (on file, ARC/21/39) which evidenced the excellent performance of this small but very effective team. The Convenor also asked that Court note (i) the internal audit progress report which demonstrated that auditors and the Executive were working well together; and (ii) the Cyber Security - Research Website Management Report. As indicated in the minutes of the ARC meeting, the committee had questioned the one high impact finding labelled "cyber" around non-authorized websites. This was felt to be misleading; the risk to be managed was a reputational one, but there was no evidence that unauthorised websites presented a cyber security risk. Committee members also questioned whether this risk, as described, justified a high red risk rating. The internal auditors had acknowledged that, as described, their recommendation was misleading and agreed to reconsider both the rating and the wording (paragraph 5.2, ARC minutes refers).

The Convenor also noted the increase in the risk scoring for inflationary economic pressure (risk#61).

(ii) Update on Risk Register

This paper (on file, Court/21/87) presented for information, provided the quarterly risk report for Q2, 2022 (risk dashboard and narratives).

13. Governance and Nominations Committee (G and N)

Professor Stuart Monro (Convenor of G and N) presented the items of business forwarded to Court by G and N.

i) Minutes of the meeting held on 19 May 2022

The minutes (on file, Court/21/88) were presented for information. Court endorsed the appointments recommended by G and N.

ii) Non-Executive Appointment

The Convenor informed Court that, following interviews on 6 June, GN/21/30 was circulated to members of the Committee on 7 June 2022 requesting approval by correspondence of the recommendation of the Selection Panel that Ros King be appointed as a Non-executive Member of Court to fill the vacancy which arose as a result of the Convenor taking up appointment as Acting Lay Member.

GN approved the recommendation on 9 June 2022.

Court confirmed the appointment of Ros King for an initial period of 4 years to 31 July 2026.

iii) CER Update

Alison Johns presented the paper (on file, Court/21/89) which shared the findings of the scoping phase of the CER.

Ms Johns thanked Court members for participating in what had been a series of frank and free discussions. The paper presented the findings from the work conducted to date to inform the scope, objectives, and terms of reference for the quinquennial CER. The next step would be to propose a more detailed methodology and process for the completion of the CER, and Ms Johns would work with the Acting Senior Lay Member, the Principal and the Vice-Principal Governance to establish the timeframe for the review and the approach. Further thought was also being given to who could be appointed as a peer assessor who would provide an external review of the process.

In discussion, members commended Ms Johns for the approach taken.

14. People and Diversity Assurance Group

Iain Anderson (Convenor of PDAG) summarised for members the main items of business forwarded to Court by PDAG.

i) Minutes of the meeting of 18 May 2022

Court received the minutes of the meeting of 18 May 2022 (on file, Court/21/90).

ii) Annual Report to Court

Court received the Annual Report to Court (on file, Court/21/91) for PDAG for the year 2021/2022.

The Convenor commended the annual report to Court. The report had set out the key things which had been the focus of PDAG over the year, specifically and primarily its examination of the Testimonies Report from the Staff BAME network testimonies, and the subsequent race and ethnicity review undertaken by SUMS. The importance of the appointment of Dr Rebekah Widdowfield as the new Vice-Principal People and Diversity was emphasised. This appointment demonstrated the clear strategic commitment of the university to people and diversity issues. The Convenor also welcomed the appointment earlier this year of a student sabbatical representative to PDAG, which had provided valuable additional perspectives.

The Convenor drew Court's attention to the detailed consideration that PDAG had given to the staff survey results (on file, PDAG/21/14). In discussion, members noted the drop in turnout, and the potential impact on this and aspects of the findings of the Survey having taken place during a period of industrial action, and when the Omicron variant of Coronavirus was threatening a further lockdown over the Christmas period. The Vice-Principal Governance confirmed that the full results would be published in the second half of June, together with detailed packs for individual schools and units. The detailed results had already been used in consultation with Pillar Leads in the development of the Strategy Pillars – evidence from the Survey had, for example, led to the highlighting of staff as well as student disabilities in discussions around Diverse St Andrews.

The Convenor noted the publication of the latest Gender Pay Gap report, and the ongoing priority that PDAG gave to this issue. In discussion, it was noted that the University published more detail on the pay gap than was required in statutory terms. A large part of the gap was driven by the composition of a small group of staff at Professional Service Grade 9 Level. The academic promotions round was currently being finalised, and the biennial senior professional and professorial salary reviews would be undertaken later this year. These exercises were merit based, but all involved were very aware of the diversity aspects.

iii) Race and Ethnicity Review

Court received and noted the SUMS report (on file, Court/21/92).

Members commended the University on its commissioning of the report and noted its recommendations and action plan, which would now be taken forward through the work of the Race Equality Charter team.

III REPORTS

15. Student Members' Report

Court received a brief verbal report from the Director of Education of the Students' Association on work ongoing to develop the Student Association Strategy, which was drawing on two major surveys run by the Association of the student population.

IV DISCUSSION ITEM

16. Interim Report on REF results

The Vice-Principal Research and Innovation presented the paper (on file, Court/21/93) which provided a summary to Court on University Performance on REF and delivered a PowerPoint presentation, a copy of which has been placed on the court SharePoint file. Court noted the report.

V. COURT OFFICE BUSINESS

i) Notice of Resignation

Court noted the resignation of Lord Duncan of Springbank as a Non-executive member of the University Court with effect from 24 May 2022, and the intention to commence recruitment of a replacement.

ii) Notification of Result of Elections

Court noted the results of the recent Senate Assessor elections as reported in the paper (on file, Court/21/94).

iii) Vacation Arrangements

Court noted the arrangements as detailed in Court/21/95.

iv) Dates of Court Meetings AY2022/23-2023-24

Court received notice of the dates of future meetings (on file, Court/21/96).

V ANY OTHER COMPETENT BUSINESS

None intimated.

VI DATE OF NEXT MEETING

The next meeting of Court will take place on Friday 21 October 2022 at 10 am in Upper College Hall.

Professor Stuart Monro , OBE (Presiding)

Clea Russell

Court Office , deputising for Clerk to Court, June 2022