



THE UNIVERSITY *of* EDINBURGH

UNIVERSITY COURT

2 December 2024, Raeburn Room, Old College

Minutes

Members Present: Janet Legrand, Senior Lay Member
 Simon Fanshawe, Rector
 Rushad Abadan, Co-opted Member
 Frank Armstrong, Co-opted Member
 Shereen Benjamin, Senatus Assessor
 Richard Blythe, Senatus Assessor
 Alastair Dunlop, Chancellor's Assessor
 Ruth Elliott, Students' Association Vice-President Community
 Ruth Girardet, Co-opted Member
 Dora Herndon, Students' Association President
 Peter Mathieson, Principal & Vice-Chancellor
 Sarah McAllister, Professional Services Staff Member
 Douglas Millican, Co-opted Member
 Jock Millican, General Council Assessor
 Hugh Mitchell, Co-opted Member
 Kathryn Nash, Trade Union Academic Staff Member
 Mark Patrizio, Trade Union Professional Services Staff Member
 Alistair Smith, Co-opted Member
 Kavi Thakrar, Co-opted Member
 Sarah Wolffe, General Council Assessor

Member Apologies: Robert Aldridge, City of Edinburgh Council Assessor
 Tobias Kelly, Academic Staff Member

In Attendance: Leigh Chalmers, Vice-Principal & University Secretary
 Gale Macleod, Rector's Assessor

Presenters & Observers: Lewis Allan, Senior Governance Advisor to the Vice-Principal & University Secretary
 David Argyle, Head of College, Medicine & Veterinary Medicine
 Christina Boswell, Vice-Principal Research & Enterprise
 Iain Gordon, Head of College, Science & Engineering
 Kim Graham, Provost
 Catherine Martin, Vice-Principal Corporate Services
 Gavin McLachlan, Vice-Principal and Chief Information Officer, and Librarian
 Sarah Prescott, Head of College, Arts, Humanities & Social Sciences
 Rona Smith, Deputy Secretary, Governance and Strategic Planning
 Daniel Wedgwood, Head of Court Services
 Lucy Evans, Deputy Secretary Students (for item 11)

OPENING ITEMS

Opening and welcome

Simon Fanshawe, Rector, opened the meeting. In his opening remarks, he stressed the value of accessing a wide range of views on matters of debate in the University community. He also reflected on recent events in which he had participated, including the Rector's Installation ceremony that had taken place on 16 October, following which the Rector had hosted a discussion of the opportunities and challenges of artificial intelligence. He recorded his thanks to Professor Kenneth Baillie and Professor Sotos Tsaftaris for their participation in this successful event and to the University's Events & Protocols team for facilitating it.

The Rector also drew Court's attention to the work of the Scottish Social Mobility Society and the support they had received from the University's Widening Participation team and other relevant members of staff.

1 Minutes

Paper A1

The minutes of the meeting and note of the seminar held on 7 October 2024 were approved.

2 Matters Arising & Review of Action Log

Paper A2

Action Log

It was noted that the Action Log had been updated with regard to work relating to financial delegations. This was approved.

3 Principal's Report

Paper B

The Senior Lay member noted and welcomed changes that had been made to the structure of the Principal's Report.

Peter Mathieson, Principal & Vice-Chancellor, invited comments and questions on the report.

There was discussion of communications concerning the University's financial position, given the existence of contrasting perception of this within the University community. It was noted that upcoming staff engagement events would provide an opportunity to clarify an imbalance between growth rates in expenditure and income and why it was important to address this. To do so, it would be important to distinguish retrospective financial reporting from the situation facing the University in the future. The UK higher education sector as a whole was facing a number of financial challenges which affected Edinburgh.

It had been announced that a voluntary severance scheme would be run as a measure to reduce staff costs. It was clarified that this scheme had not yet been developed in detail but that it would be a selective scheme with a strong element of

local decision-making, a part of which would be to protect the University's ability to deliver key priorities.

There was also discussion of an occupation of a teaching building on campus that had been carried out by protestors in relation to calls for divestment in connection with conflict in the Middle East. The University had made clear that preventing the use of University buildings in this way was not acceptable. The occupation had ended and the building was again being used for teaching.

4 Committee Business

Policy & Resources Committee

Paper C1

Janet Legrand, Senior Lay Member, introduced the report, noting that the majority of the items discussed at the last meeting of Policy & Resources Committee (PRC) were included in the Court agenda.

Court noted the report.

Nominations Committee

Paper C2

Court noted the report. Court approved the following, as recommended by Nominations Committee:

- the re-appointment of Douglas Millican as a member of Audit & Risk Committee and as the Convener of that committee until 31 July 2026 (the conclusion of his current term as a member of Court); and
- a change in the name of the committee to become 'Governance and Nominations Committee' and related changes to the committee's Terms of Reference, noting that this was to reflect established practice and did not involve any change in the standing powers of the committee or of Court. It was further clarified that the designation 'Governance and Nominations Committee' was consistent with sector norms.

Audit & Risk Committee

Paper C3

Douglas Millican, Convener of Audit & Risk Committee, gave a brief overview of key points from the report. Court approved the updated Risk Management Policy and Risk Appetite Statement, noting that there would be a need to update financial measures at the next annual review.

Knowledge Strategy Committee

Paper C4

Court noted the report.

Remuneration Committee Annual Report

Paper C5

Hugh Mitchell, Convener of Remuneration Committee, gave a brief overview of the report, noting that standard processes had been followed throughout the year. In

addition, analysis of the Grade 10 staff population had been conducted and this had provided helpful context for the committee's work.

Court noted the report.

Senate

Paper C6

Court noted the report. In discussion, it was noted that the prominence and importance of the student voice in Senate had increased and that this was in line with one of the recommendations of Senate's external effectiveness review.

There was also discussion of the mechanisms whereby Senate provided assurances to Court on teaching quality and progress in implementing the recommendations of the Senate external effectiveness review, through the dedicated Task & Finish Group.

KEY ITEMS FOR DISCUSSION/DECISION

8 Audit and Risk Committee Annual Report [taken before item 5]

Paper G

Douglas Millican, Convener of Audit & Risk Committee (ARC), highlighted key points from the report, including that:

- the Annual Internal Audit Statement had concluded that the University's overall system of governance, risk management and internal control remained adequate and had noted improvements in the system of internal financial control, in areas where previously there had been challenges connected to the implementation of the People & Money system;
- the committee had received assurances on the University's processes to ensure economy, efficiency and effectiveness in its operations, but had expressed concerns in relation to long-term financial sustainability;
- Risk Management Committee had provided assurances to ARC that the University had been satisfactorily managing its key risks during the year ended 31 July 2024, and had noted planned enhancements to risk management processes; and
- ARC had received appropriate assurances regarding compliance with sector corporate governance requirements.

Overall, ARC was content to recommend the relevant statements contained within the University's Annual Report and Accounts, while drawing attention to areas for future improvement.

In discussion, it was noted that ARC members had sought additional clarity on the applicability of the University's risk management framework to its subsidiary companies. There was also discussion of the advantages and risks that were inherent to managing information systems across a highly devolved institution. It was recognised that this required a carefully prioritised and differentiated approach to the different systems involved.

Lee Hamill, Director of Finance, summarised key aspects of the report, which contained both an analytical review of 2023-24 and a forward-looking Q1 2024-25 forecast summary. It was noted that the analytical review contained novel elements in an activity-based approach to costing and that the Q1 forecast incorporated the impacts of the UK government budget announcement.

The following points were made in discussion:

- Opportunities would be welcomed to discuss long-term budgeting and planning holistically at Court level.
- There might be cause to re-examine targeted levels of student recruitment, or processes for conversion of applications, given that growth in fee income had fallen short of targets. It was noted that the conversion process was complex and the University had developed rich datasets to analyse the different stages of the process, taking into account significant variation between groups of applicants. The process was also subject to changing patterns of applicant behaviour, affecting the whole sector, which the University was working to understand in more detail and to account for. There was also a degree of trade-off between the targeted fee income levels and the University's strategic diversification targets.
- Staff had been informed that the University would be implementing a voluntary severance scheme. It was observed that a purely voluntary scheme was unlikely to deliver significant strategic outcomes and noted that the planned scheme would be selective, in order to identify appropriate opportunities to reduce staff costs without endangering the delivery of key activity, including in the priority areas of the staff and student experience.
- It was recognised that wider, cross-institutional changes would also be required and relevant work was on-going. Improved staff data was providing new opportunities to assess staffing levels and trends across the University. More clarity would follow as the next planning round and associated processes progressed.
- There was discussion of the scope of required reforms and approach to planning and budget-setting in the changed context. It was noted that there was a wide range of views both within Court and in the wider University community as to the extent of the financial challenge facing the University and the scale of the response required. The importance of clear communications was emphasised, including explanation of the purpose of EBITDA generation and the rationale for the targeted levels.
- Court was a potential source of relevant skills and knowledge in addressing the financial situation and members would be glad to offer support, as appropriate, if provided with relevant work in progress.

Annual Report and Accounts 2023-24

Paper D2

Lee Hamill, Director of Finance, summarised remaining procedural requirements to complete the Annual Report and Accounts, noting that Court had received briefing on the content of the document in a dedicated prior session. While the audit process was largely complete, the external auditor had not yet completed their work or

delivered a final audit opinion. No requirements for material changes were anticipated. In addition, members of Court had requested some clarificatory adjustments to narrative parts of the document.

For these reasons, Court was being asked to grant provisional approval and enable subsequent completion of the process by relevant individuals.

Court provisionally approved the Annual Report and Accounts 2023-24 and delegated authority to the Convener of Audit & Risk Committee (ARC), the Principal and the Senior Lay Member to approve subsequent adjustments to the narrative content of the Annual Report and Accounts and any non-material changes in response to the remaining observations of the external auditor.

Letter of Representation

Paper D3

Court approved the letter of representation and its signing by the Principal and Senior Lay Member, and noted the back-to-back Letter of Representation provided by the Director of Finance to members of University Court.

United States Generally Accepted Accounting Principles (US GAAP) Paper D4

Court provisionally approved the US GAAP Management Commentary and Financial Statements to 31 July 2024 and delegated authority to the Convener of Audit & Risk Committee (ARC), the Principal and the Senior Lay Member to approve any subsequent changes in response to the remaining observations of the external auditor.

It was noted that narrative elements of this document would be adjusted in line with the Annual Report and Accounts.

6 Student Recruitment and Intakes, 2024/25 Entry

Paper E

Rona Smith, Deputy Secretary Governance and Strategic Planning, outlined key points from the paper, including that:

- Total budgetary tuition fee income targets for this recruitment cycle had not been achieved, although fee income had grown on a year-on-year basis. This outcome would be analysed and would be used to inform forward planning.
- Most numerical recruitment targets had been met and intake numbers had increased year-on-year even in those areas where targets had not been met. However, the overall student population had fallen marginally, as an unusually large cohort of students had graduated in the previous year.
- There had been further progress in diversifying the international student population, in line with strategic aims.
- The next recruitment round was underway, with offer-making to applicants in progress.

In discussion, it was noted that the University's Size & Shape work provided strategic context for recruitment targets and outcomes, being aligned with Strategy 2030 and having been revised in the light of the changing external context. The importance of

connecting recruitment targets to work to enhance the student and staff experience was noted, and that the on-going portfolio review was a key element of doing so.

In discussion on the topic of fee levels, it was noted that fee levels for the coming year had been set.

It was noted that the paper reported a fall in applications from the rest of the UK in the 2024 entry cycle, when compared with the 2023 entry cycle. The reasons for this were not clear, but demand remained strong and early evidence from the new recruitment cycle indicated demand, as measured through number of applications, rising again.

7 Performance Measures to Support Strategy 2030: 2023-24 Year-End Report **Paper F**

Rona Smith, Deputy Secretary Governance and Strategic Planning, introduced the paper, noting that this backward-facing report was one of two reports on the University's performance measures that Court received each year.

In connection with the carbon reduction targets mentioned in the report, it was noted that a successor to the University's Climate Strategy was due to be presented to Court in the current academic year.

Court discussed ways to further develop the performance measurement framework. Recognising that some of the progress reporting in the paper was qualitative and/or merely indicative, it was suggested that more measurable quantitative measures be introduced where possible and it was noted that this reflected suggestions made by members of Policy & Resources Committee.

9 Risk Management Post Year-End Assurance Statement **Paper H**

Court noted the Statement.

10 Responsible Investment Policy: Analysis of Consultation Responses **Paper I**

Catherine Martin, Vice-Principal Corporate Services, summarised key points from the paper. The consultation exercise had been run over three months and had gathered almost 2,000 responses, with a high degree of convergence among them on many points. The policy was to be updated, taking into account the consultation responses, and would be submitted to relevant governance bodies within the academic year. Related work would be pursued to the same timescale, including the creation of the new group whose establishment had been agreed by Court at its October meeting.

The Senior Lay Member recorded thanks on behalf of Court to the researchers who had produced the independent analysis of the consultation responses.

Court discussed the size of the response to the consultation, noting that, while a small proportion of the University community, the number of responses was high in the context of comparable consultation exercises and demonstrated significant

strength of feeling among those who had responded. It was noted that clear communication of the timelines for developing the policy would be important, given this level of interest within the community.

It was observed that clear protocols regarding the maintenance and future amendment of the policy would be important, to ensure its clarity and stability, enabling the policy to remain focused on principles rather than being subject to pressure relating to any particular cause.

11 Student Experience Update

Paper J

Lucy Evans, Deputy Secretary Students, introduced the paper, noting that a new style of presentation had been employed, in order to provide Court with updates on work in key areas while setting these in the context of the breadth of work being undertaken in relation to the student experience.

The new style of presentation was welcomed and the suggestion made that the ultimate aims of relevant work be set out in more detail, in order to contextualise progress.

The role of Senate in overseeing relevant work was discussed. It was observed that the members of Senate and the wider academic community were committed to providing the highest quality learning and teaching and were open to innovation and change to this end. It was noted that the paper included references to a need for a culture shift to raise the importance of teaching and student experience across the University and it was emphasised that this shift was required at the level of the whole organisation and was already in progress. It was noted that embedding accountability for delivery in staff performance expectations need not conflict with the autonomy of academic staff or the recognition of the high levels of intrinsic motivation among the staff.

Commonalities between the presentation in the paper and the Students' Association's student experience framework were noted and this alignment was welcomed.

12 Students' Association and Sports Union Reports Sports Union Report

Paper K2

Dora Herndon, President of the Students' Association, highlighted key points from the paper, in particular the success of livestreaming of sporting events, the recruitment of a new staff member, enabling enhanced support to sports clubs, and the scale and significance of the Sports Union's tender for a kit supplier. Court noted the report.

Students' Association Report

Paper K1

Dora Herndon, President of the Students' Association, introduced the paper, highlighting in particular:

- the information provided on the Students' Association's representative structure;
- work carried out by the Students' Association in relation to student housing, both within and beyond the University;
- significant work, including collaborative work with the University, on the student voice; and
- budgetary matters, including the impact on the Students' Association of changes to employers' National Insurance contributions.

The following points were made in discussion:

- It was noted that completion rates had improved for the Student Life Survey. While timing factors were likely to have contributed to this, there had also been active efforts to achieve this improvement, including more dedicated face-to-face engagement with students.
- It was observed that the Students' Association's representative activity could be perceived by some students to cover a limited range of views. It was noted that a considerable proportion of the representative activity was generally not politicised, being dedicated to representation at class, discipline or School level, for example.
- The paper noted that four of the accountability reports provided by the Students' Association's sabbatical officers had been rejected in votes in a Student Council meeting, for reasons related to campaigning on divestment issues. A verbal update was given to Court, noting that three of these reports had been rejected for a second time at a subsequent Student Council meeting and that this would trigger additional processes. The significant pressures on the sabbatical officers from working in a highly charged political context were noted.

Court noted the report.

13 Annual Court Internal Effectiveness Review

Paper L

Leigh Chalmers, Vice-Principal & University Secretary, gave a brief overview of the paper, noting in particular that the nature of feedback received through internal effectiveness review processes largely reflected points made within the recent external effectiveness review and that, therefore, relevant actions were largely covered under on-going work in response to the external review.

Minor amendments to Court's Statement of Primary Responsibility were approved, such that this referred to the latest edition of the Scottish Code of Good Higher Education Governance.

ITEMS FOR NOTING OR FORMAL APPROVAL

14 Health and Safety Annual Report

Paper M

Court noted the report and approved the Health and Safety Policy.

15 Development & Alumni: Alumni Relations Activity

Paper N

Court noted the report

16 Resolutions

Paper O

Court approved the following Resolutions:

- No. 99/2024: Foundation of a Personal Chair of AI, Memory and War; and
- No.100/2024: Foundation of a Personal Chair of Educational Change and Diversity.

17 Any Other Business

There was no other business.

18 Date of Next Meeting

Monday, 24 February 2025